



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 29, 2006

H.R. 5689

An act to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to make technical corrections, and for other purposes

*As reported by the Senate Committee on Environment and Public Works
on September 14, 2006*

SUMMARY

H.R. 5689 would make several amendments to the current authorization law for highway programs: the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59). H.R. 5689 would create new or additional contract authority for magnetic levitation transportation projects, for the National Surface Transportation Policy and Revenue Commission, and for transportation research programs at universities. (Contract authority is a mandatory form of budget authority.) The act also would rescind a portion of unused contract authority in fiscal year 2009, the last year of the current authorization period. In total, the act would reduce contract authority for highway programs by \$9 million over the 2007-2009 period.

CBO expects that spending from the programs mentioned above will be controlled by limits on annual obligations set in appropriation acts. Consequently, the changes in contract authority would not affect direct spending outlays. The legislation would not amend the obligation limitations specified in current law; thus, CBO estimates that implementing this legislation would not have a significant impact on discretionary outlays. However, H.R. 5689 would amend the authorization for a specific project that CBO expects would not be completed under current law. Because that project is not subject to limits on annual obligations, CBO estimates that this provision would increase direct spending by \$25 million over the 2007-2011 period. Enacting H.R. 5689 would not affect revenues.

H.R. 5689 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5689 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
CHANGES IN DIRECT SPENDING						
Deployment of Magnetic Levitation Transportation Projects						
Budget Authority	0	20	35	35	0	0
Estimated Outlays ^a	0	0	0	0	0	0
National Surface Transportation Policy and Revenue Commission						
Budget Authority	0	2	0	0	0	0
Estimated Outlays ^a	0	0	0	0	0	0
University Transportation Research						
Budget Authority	0	6	6	9	0	0
Estimated Outlays ^a	0	0	0	0	0	0
Rescission of Unobligated Contract Authority						
Budget Authority	0	0	0	-122	0	0
Estimated Outlays ^a	0	0	0	0	0	0
Authorization for Aliquippa Ambridge Bridge						
Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	7	11	4	2	1
Total Changes						
Budget Authority	0	28	41	-78	0	0
Estimated Outlays	0	7	11	4	2	1

a. The spending of the contract authority is controlled by annual limits on obligations set in appropriation acts and is therefore considered discretionary. Thus, enacting these provisions would not affect direct spending outlays.

BASIS OF ESTIMATE

CBO estimates that enacting H.R. 5689 would increase outlays from direct spending by \$25 million over the 2007-2011 period and reduce contract authority by \$9 million over the 2007-2009 period. The act would not affect revenues.

Changes to Contract Authority

The Federal-Aid Highway program receives contract authority under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Most spending from that contract authority is subject to annual limits on obligations set in appropriation acts. For that reason, most of the program's outlays are considered discretionary, and they would not be affected by the bill's changes in the amount of contract authority available.

If enacted, H.R. 5689 would provide new or increased contract authority for the following programs:

- Magnetic Levitation Transportation Projects. Under current law, funding for projects that use magnetic force to suspend and propel a transportation system is authorized to be appropriated. Section 2 of the act would amend the authorization to create \$20 million in contract authority in 2007 and a total of \$90 million over 2007-2009 period.
- National Surface Transportation Policy and Revenue Commission. The commission studies and plans for the future of the surface transportation system. Section 7 would provide the commission with an additional \$2 million in contract authority for fiscal year 2007.
- University Transportation Research. Section 10 would provide an additional \$6 million in contract authority in 2007 and \$21 million over the 2007-2009 period for research grants to universities.

Section 11 would rescind \$122 million of contract authority in fiscal year 2009. That change, when combined with the new or increased contract authority that would be made available by the legislation, would reduce contract authority by \$9 million over the 2007-2009 period. Because contract authority for the programs listed above is subject to limits on annual obligations set in appropriation acts and because CBO estimates that the rescission would not impair the various transportation programs' ability to meet obligations in the next several years, CBO estimates that the changes in contract authority would not directly affect outlays (either mandatory or discretionary spending).

Changes to Mandatory Outlays

Section 16 would revise the authorization for the Aliquippa Ambridge Bridge of Beaver County, Pennsylvania, previously authorized by the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240). The original authorization was for construction of a new bridge. H.R. 5689 would authorize the funds to be used to rehabilitate the existing bridge. The \$25 million in contract authority provided over the 1992-1997 period for the bridge is still available, but based on information from the Department of Transportation, CBO does not expect work to continue on the project as authorized under current law.

The bridge project is not subject to an obligation limitation, and H.R. 5689 would allow the state to spend money that it would not use under current law. Thus, CBO estimates that this provision would increase direct spending by \$25 million over the 2007-2011 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR MANDATES

H.R. 5689 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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