



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

April 17, 2015

**S. 650**  
**Railroad Safety and Positive Train Control Extension Act**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on March 25, 2015*

Under current law, Class I railroads (there are currently 7 such large railroads in the United States), most passenger rail lines, and any rail lines that transport hazardous materials are required to install and operate by December 31, 2015, certain automated safety equipment to avoid collisions in the event of a mistake by a train operator. This combined use of equipment and wireless communications is known as positive train control. Under provisions of the bill, the 2015 deadline to implement positive train control would be delayed by five years until December 31, 2020. The bill also would require the Federal Railroad Administration (FRA) to delay by five years the regulatory timeframes for implementing positive train control for smaller (Class II and III) railroads.

Based on information from the FRA, CBO estimates that enacting S. 650 would cost \$1 million over the 2016-2020 period, assuming the availability of appropriated funds. That amount would cover the cost of two to three additional staff needed to prepare new rules to implement the legislation and report to the Congress on matters related to positive train control. Enacting S. 650 would not affect direct spending or revenues; therefore, pay-as-you go procedures do not apply.

S. 650 would impose an intergovernmental and private sector mandate, as defined in the Unfunded Mandates Reform Act (UMRA), by requiring some railroads, including intercity and commuter passenger railroads, to annually submit reports on the progress of implementing positive train control technology. Because of the limited number of railroads that would need to comply with the bill's requirements and the relatively small cost of reports, CBO estimates that the cost incurred by public and private railroads would not exceed the annual thresholds established in UMRA for intergovernmental or private-sector mandates (\$77 million and \$154 million in 2015, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sarah Puro (for federal costs), Melissa Merrell (for the intergovernmental mandate), and Amy Petz (for the private-sector mandate). The estimate was approved by Theresa Gullo, Assistant Director for the Budget Analysis.