CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 17, 2016

H.R. 5728
Cuban Airport Security Act of 2016

As ordered reported by the House Committee on Homeland Security on September 13, 2016

H.R. 5728 would direct the Transportation Security Administration (TSA) to report to the Congress on the status of security measures at international airports in Cuba and would specify other administrative and procedural requirements related to ensuring the security of flights originating from that country.

Based on information from TSA, CBO estimates that implementing H.R. 5728 would have no significant effect on the federal budget. According to the agency, the bill's requirements are largely consistent with existing administrative policy; as a result, CBO expects any additional costs under the bill would not exceed $500,000 in any year. Enacting H.R. 5728 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5728 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5728 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 5728 would impose private-sector mandates as defined in UMRA because it would prohibit airlines from employing Cuban nationals, unless they publicly disclose the full text of their agreements with the government of Cuba for passenger air service and would prohibit airlines, to the extent practicable, from employing Cuban nationals who are recruited or trained by entities of the Cuban government. CBO estimates that the cost of disclosing an agreement would be small. However, if the terms of the current agreements with Cuba prohibit disclosure, airlines would either have to negotiate those agreements (resulting in small costs) or, in the extreme case, terminate passenger air service between the United States and Cuba. The current arrangement between the United States and Cuba permits up to 110 daily roundtrip flights. Based on historical data from the Bureau of Transportation Statistics, CBO estimates that on average the net income from commercial flights to Cuba could amount to about $140 million annually. Because CBO expects that airlines would seek to minimize the cost of complying with the bill's mandates, we estimate that the aggregate compliance costs would fall below the annual threshold established in UMRA for private-sector mandates ($154 million in 2016, adjusted annually for inflation).

The CBO staff contact for this estimate is Megan Carroll (for federal costs) and Amy Petz (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.