



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 17, 2017

S. 763

Surface and Maritime Transportation Security Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 5, 2017*

SUMMARY

The Department of Homeland Security (DHS) is responsible for ensuring the security of the nation's transportation systems, particularly at points of entry into the United States by air, land, and sea. S. 763 would authorize appropriations totaling \$2.5 billion for grants to enhance the security of surface and maritime transportation systems and the bill also would require DHS to pursue a range of activities aimed at identifying and addressing the vulnerabilities of such systems. Assuming appropriation of the estimated and authorized amounts, CBO estimates that implementing S. 763 would cost \$1.3 billion over the 2018-2022 period, and an additional \$1.2 billion after 2022.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 763 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 763 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 effect of S. 763 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 400 (transportation).

	By Fiscal Year, in Millions of Dollars						2017- 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Preparedness Grants							
Authorization Level	0	500	575	650	725	0	2,450
Estimated Outlays	0	35	115	232	378	471	1,231
TSA Activities							
Estimated Authorization Level	0	8	7	16	20	23	74
Estimated Outlays	0	8	7	16	20	23	74
Total Changes							
Estimated Authorization Level	0	508	582	666	745	23	2,524
Estimated Outlays	0	43	122	248	398	494	1,305

TSA = Transportation Security Administration

Note: Implementing the bill would increase outlays by another \$1.2 billion in years after 2022.

BASIS OF ESTIMATE

Federal activities to safeguard U.S. transportation systems are carried out by multiple agencies within DHS. The Transportation Security Administration (TSA) performs most activities related to aviation security and works collaboratively with nonfederal operators of surface transportation systems to promote the security of such systems. The Coast Guard is primarily responsible for securing the ports, coastlines, and waterways that comprise the nation’s maritime transportation system. Finally, the Federal Emergency Management Agency (FEMA) administers a variety of programs that provide grants to state and local governments and other operators of surface transportation systems and ports to support security-related activities.

S. 763 would authorize funding for preparedness grants to enhance the security of surface and maritime transportation systems and would require DHS—acting primarily through TSA—to pursue a range of activities aimed at identifying and addressing vulnerabilities of such systems. For purposes of this estimate CBO assumes the bill will be enacted by the end of 2017 and that the authorized and estimated amounts will be appropriated each year.

Preparedness Grants

S. 763 would authorize appropriations totaling \$2.5 billion over the 2018-2021 period for grants, administered by FEMA, to enhance the security of operations and infrastructure related to surface and maritime transportation systems. (The Congress provided \$200 million for such grants in 2017.) Under the bill, half of those amounts would be spent for grants to mitigate maritime-related security risks, particularly at ports. The other half would support grants to operators of rail, bus, and transit systems. Based on historical spending patterns for those grant programs, CBO estimates that spending for grants under S. 763 would total \$1.2 billion over the 2018-2022 period and \$1.2 billion in later years.

TSA Activities

Relative to current law, S. 763 would expand TSA's responsibilities related to surface and maritime transportation. Taken as a whole, CBO estimates that meeting those responsibilities would increase the agency's costs by \$74 million over the 2018-2022 period. (The Congress provided \$72 million for TSA's surface and maritime transportation security programs in 2017.) Those costs stem primarily from provisions that would increase spending for canine teams to detect explosives, authorized vetting of rail passengers, and a variety of other requirements.

Canine Teams. S. 763 would authorize TSA to significantly expand the number of canine teams used to detect explosives within surface and maritime transportation systems. According to TSA, funding provided for 2017 currently supports 181 such teams. S. 763 would authorize the agency to add up to 70 new teams initially and up to 200 additional teams in later years, depending on the outcome of certain studies and reviews required under the bill. For this estimate, CBO expects that the agency would add 70 new teams in 2018 and, starting in 2020, gradually add 200 more teams for a total of 270 new teams by 2022. Based on an analysis of information from TSA on the historical costs of training and maintaining canine teams, CBO estimates that adding those teams would cost \$6 million in 2018 and \$51 million over the 2018-2022 period.

Vetting for Rail Passengers. Under current law, TSA administers a variety of vetting programs, particularly to ensure that individuals traveling on commercial flights are not among those listed on terrorist watch lists maintained by the federal government. If requested by the board of directors of Amtrak, S. 763 would authorize TSA to expand vetting services to rail passengers. CBO estimates implementing that provision would cost \$18 million over the 2018-2022 period. That estimate is based on an analysis of information from TSA and Amtrak about the historical cost of similar activities, particularly TSA's programs for vetting air passengers and includes \$3 million in upfront costs for Amtrak to develop systems for gathering data from passengers—an effort CBO expects would take about two years. Starting in 2020, CBO estimates the agencies would spend roughly \$5 million annually to share data, vet passengers, and communicate results.

Other Requirements. S. 763 would require TSA to complete a broad set of comprehensive analyses of vulnerabilities of surface and maritime transportation systems and existing efforts to address them. The bill would specify new responsibilities for TSA with regard to maritime transportation security, expand activities related to training certain TSA employees, and direct the agency (and others) to complete a variety of studies and reports. Based on an analysis of information from TSA, CBO estimates that meeting those new and expanded responsibilities would require a handful of additional staff and cost about \$1 million annually.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 763 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 763 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit public entities, such as surface and maritime transportation systems. It would authorize federal funding for security assistance grants and give recipients greater flexibility in how those grants may be used. Any costs incurred by those entities, including cost-sharing contributions, would result from conditions of receiving federal assistance.

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