



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 18, 2017

H.R. 2595
Strengthening the Department of Homeland Security
Secure Mail Initiative Act

*As ordered reported by the House Committee on the Judiciary
on December 12, 2017*

U.S. Citizenship and Immigration Services (CIS) in the Department of Homeland Security (DHS) mails about 4 million documents each year to applicants for immigration services, including employment authorization, permanent residence, and travel authorization. H.R. 2595 would require CIS, within one year of enactment, to allow applicants to use certain mail security services offered by the Postal Service (USPS) when they receive mail from CIS. Persons who choose such services would pay an additional fee that would be set by CIS and intended to recover the full costs associated with providing the service, including CIS administrative costs and USPS charges for those services.

Using information from CIS and USPS, CBO expects that people who choose to use enhanced mail security would have to pay a fee of about \$3 to \$4 per document. That fee would cover the difference between the cost for current mail delivery and the cost for the enhanced security, plus a small amount for CIS administrative costs. Using information from CIS, CBO estimates that at least half of the affected applicants would choose to pay the additional fee.

The Postal Service would earn about \$2 more per delivery for the enhanced mail security. Thus, CBO estimates that enacting the bill would increase net income for the USPS by roughly \$5 million annually, beginning in fiscal year 2019; CIS indicates that it does not expect to implement the bill until late in 2018. CBO further estimates that enacting H.R. 2595 would have no significant net effect on direct spending by DHS because the department would collect and spend roughly the same amounts in future years to process requests for enhanced mail security for CIS documents.

Enacting H.R. 2595 would affect on-budget direct spending by DHS; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be insignificant in each year. Enacting the bill would not affect revenues. USPS cash flows are classified as off-budget and thus are not subject to pay-as-you-go procedures.

CBO estimates that enacting H.R. 2595 would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2595 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On September 22, 2017, CBO transmitted a cost estimate for S. 1208, the Strengthening the Department of Homeland Security Secure Mail Initiative Act, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 26, 2017. The two bills are identical and CBO's estimates of the budgetary effects are the same.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.