



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 10, 2007

S. 1446
National Capital Transportation Amendments Act of 2007

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on August 1, 2007*

SUMMARY

S. 1446 would authorize the appropriation of \$1.5 billion for grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital and preventive maintenance projects. Assuming appropriation of the amount specified in the bill, CBO estimates that implementing S. 1446 would cost \$236 million over the 2010-2012 period and an additional \$1.3 billion after 2012.

S. 1446 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would provide funding for WMATA activities, and any costs it, the District of Columbia, the state of Maryland, and the Commonwealth of Virginia incur would result from complying with conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1446 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

| | By Fiscal Year, in Millions of Dollars | | | | |
|---|--|------|------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Estimated Authorization Level | 0 | 0 | 150 | 150 | 150 |
| Estimated Outlays | 0 | 0 | 38 | 83 | 115 |

BASIS OF ESTIMATE

S. 1446 would authorize the Secretary of Transportation to make grants to WMATA to cover 50 percent of the cost of capital and preventive maintenance projects listed in the Capital Improvement Program approved by the transit authority's board of directors. For those grants, the bill would authorize the appropriation of \$1.5 billion to the Secretary. Based on information from WMATA about the agency's Capital Improvement Program, CBO expects that the authorized amount would be appropriated in equal installments over a 10-year period, beginning in 2010.

Before receiving the grants, Maryland, Virginia, and the District of Columbia would need to amend the WMATA compact to add four members to the board of directors and to make changes to the operation of the Office of the Inspector General. Further, those entities would be required to establish funding sources dedicated solely to the transit authority. CBO expects that those requirements would delay the award of grants until at least 2010.

Assuming appropriation of the \$1.5 billion authorized under S. 1446, CBO estimates that implementing the bill would cost \$236 million over the 2010-2012 period and another \$1,264 million after 2012. That estimate of outlays is based on historical spending patterns of grants for similar capital and maintenance projects for mass transit systems.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1446 contains no intergovernmental or private-sector mandates as defined in UMRA. As a condition of receiving \$1.5 billion over 10 years for certain capital and preventive maintenance projects, the bill would require WMATA to establish an Office of the Inspector General and expand the board of directors. Also, as a condition of receiving those grants, the District of Columbia, the state of Maryland, and the Commonwealth of Virginia would be required to earmark funds to match the federal assistance. The bill would restrict the use of federal funds to maintenance and upkeep only.

PREVIOUS CBO ESTIMATE

On April 27, 2007, CBO transmitted a cost estimate for H.R. 401, the National Capital Transportation Amendments Act of 2007, as ordered reported by the House Committee on Oversight and Government Reform on April 18, 2007. The bills are similar in scope and content, and CBO's estimates of costs are identical.

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