



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 13, 2002

S. 1871
Safe Rails Act of 2002

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 18, 2002*

SUMMARY

S. 1871 would authorize the establishment of a Rail Security Fund that would be used to make grants to freight railroads, hazardous materials shippers, and the owners of tank cars used to transport hazardous materials for security costs incurred on or after September 11, 2001. In addition, the bill would authorize the Secretary of Transportation to perform a risk assessment and security needs analysis of hazardous materials transportation. Assuming appropriation of the authorized amounts, CBO estimates that enacting S. 1871 would cost \$185 million over the 2003-2007 period, and an additional \$105 million after 2007. S. 1871 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 1871 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 impact of S. 1871 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	150	150	0	0	0
Estimated Outlays	7	24	40	51	63

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1871 will be enacted early in fiscal year 2003 and the necessary funds will be appropriated for each year. The bill would authorize \$150 million in both fiscal years 2003 and 2004 for the Rail Security Fund. Outlay estimates are based on information from the Department of Transportation, as well as historical spending patterns of similar programs.

In addition, the bill would require the Secretary of Transportation to report on risk assessment on security needs within six months of enactment. CBO expects that the report would cost less than \$1 million, subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1871 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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