



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 24, 2007

S. 1778

Maritime Administration Authorities Act of 2007

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on July 19, 2007*

SUMMARY

S. 1778 would amend various laws governing the activities of the Maritime Administration (MARAD) and would authorize appropriations for the agency for fiscal year 2008. CBO estimates that appropriation of the amounts authorized by the legislation for MARAD operations and for the disposal of obsolete vessels would result in outlays of \$112 million in 2008 and \$141 million over the 2008-2012 period. Enacting S. 1778 would have no effect on revenues or direct spending.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no cost on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1778 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Spending for MARAD Operations and Ship Disposal Under Current Law						
Budget Authority ^a	132	0	0	0	0	0
Estimated Outlays	129	30	14	0	0	0
Proposed Changes ^b						
Authorization Level	0	141	0	0	0	0
Estimated Outlays	0	112	18	11	0	0
Spending for MARAD Operations and Ship Disposal Under S. 1778						
Authorization Level ^a	132	141	0	0	0	0
Estimated Outlays	129	142	32	11	0	0

a. The 2007 level is the amount appropriated for that year.

b. The authorization levels do not include \$62.5 million specifically authorized by the bill for grants to small shipyards and maritime communities, reimbursements to ship operators for vessel repair and maintenance costs incurred at domestic shipyards, or the subsidy and administrative costs of maritime loan guarantees because all of those programs are authorized for 2008 by existing statutes.

BASIS OF ESTIMATE

S. 1778 would authorize the appropriation of \$123 million for MARAD operations and \$18 million for the agency's program to dispose of obsolete vessels in the National Defense Reserve Fleet. The bill also would authorize \$20 million for grants to small shipyards and maritime communities, \$19.5 million for reimbursements to vessel owners for repairs made in U.S. shipyards, \$20 million for the cost of making maritime loan guarantees, and \$3 million for related administrative costs.

The authorization level shown in the above table includes the amounts specified by the bill for MARAD operations and ship disposal. Amounts specified for other programs have been excluded because those programs are already authorized for fiscal year 2008 under current law. We estimate that appropriation of the amounts authorized for operations and ship disposal would increase outlays by \$112 million in 2008 and by \$141 million over the 2008-2012 period. Estimated outlays are based on historical spending patterns for MARAD activities.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no cost on state, local, or tribal governments.

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