



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 19, 2012

**H.R. 5887  
Coast Guard and Maritime Transportation Act of 2012**

*As ordered reported by the House Committee on Transportation and Infrastructure  
on June 7, 2012*

**SUMMARY**

H.R. 5887 would amend various laws that govern the activities of the United States Coast Guard (USCG). The bill also would authorize appropriations totaling about \$26.1 billion, primarily for ongoing USCG operations over the 2013-2015 period. Assuming appropriation of the amounts specified in the bill, CBO estimates that implementing the legislation would cost \$24.5 billion over the 2013-2017 period.

Enacting the bill would not affect direct spending, but it could result in additional collections because it would establish new civil penalties for certain violations of Coast Guard regulations. Penalties are recorded in the budget as revenues and deposited in the U.S. Treasury; therefore, pay-as-you-go procedures apply. However, based on the small number of cases likely to be involved, CBO estimates that such collections would be minimal.

H.R. 5887 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 5887 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2013-
	2013	2014	2015	2016	2017	2017
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Authorization Level	8,603	8,704	8,765	0	0	26,072
Estimated Outlays	5,864	7,386	7,989	2,352	889	24,480

## **BASIS OF ESTIMATE**

### **Spending Subject to Appropriation**

For this estimate, CBO assumes that H.R. 5887 will be enacted near the end of fiscal year 2012 and that the amounts authorized by the bill will be appropriated for each year. Estimated outlays are based on historical spending patterns for authorized activities.

H.R. 5887 would authorize funding for ongoing USCG activities over the 2013-2015 period. Specifically, the bill would authorize the appropriation of about \$26.1 billion for USCG operations, including about \$21.0 billion for operations and maintenance, \$4.5 billion for capital acquisitions, \$420 million for reserve training, \$60 million for research programs, and \$51 million for environmental compliance. Assuming appropriation of the amounts specified in the bill, CBO estimates that enacting H.R. 5887 would cost \$24.5 billion over the 2013-2017 period.

### **Direct Spending**

The bill would provide a process for USCG personnel who fail selection for promotion due to an administrative or material error to seek redress through a special selection board. Those who were subsequently promoted would receive retroactive pay and benefits. Under current law, USCG personnel can seek to have such errors corrected; as a result, CBO estimates that enacting the provision for retroactive pay would not affect direct spending.

### **Revenues**

Enacting the bill could result in additional collections because it would establish new penalties for certain violations of Coast Guard regulations. Penalties are recorded in the budget as revenues and deposited in the U.S. Treasury. However, based on the small number of cases likely to be involved, CBO estimates that such collections would be minimal.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting the bill would not affect direct spending, but could have an insignificant impact on revenues over the 2012-2017 period and the 2012-2022 period.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 5887 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

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