CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 27, 2008

H.R. 6630
A bill to prohibit the Secretary of Transportation from granting authority to a motor carrier domiciled in Mexico to operate beyond United States municipalities and commercial zones on the United States-Mexico border unless expressly authorized by Congress

As ordered reported by the House Committee on Transportation and Infrastructure on July 31, 2008

H.R. 6630 would require the Department of Transportation (DOT) to terminate a pilot program that allows certain motor carriers based in Mexico to operate throughout the United States. CBO estimates that implementing H.R. 6630 would have no significant impact on spending subject to appropriation. Enacting the legislation would not affect direct spending or revenues.

In addition to terminating the current pilot program, the bill would require Congressional approval for any similar program conducted after that date. The bill also would require DOT to submit three reports to the Congress about the program. According to the agency, the funds that are currently used to install global positioning system units on participating motor carriers would be used for other purposes, and in the absence of this program, DOT personnel would remain at the border to complete other functions. As a result, CBO estimates that implementing the legislation would have no significant impact on spending subject to appropriation.

The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. H.R. 6630 would impose a private-sector mandate, as defined in UMRA, on certain motor carriers based in Mexico. By terminating the pilot program, those carriers that participate in the project would be prohibited from making long-haul trips beyond designated zones along the border. According to data collected by the Federal Motor Carrier Safety Administration (FMCSA), a small number of motor carriers participating in the project make only a few such long-haul trips. Based on this information, CBO estimates that the cost of complying with the mandate (measured as net income forgone) would fall below the annual threshold established in UMRA for private-sector mandates ($136 million in 2008, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sarah Puro (for federal costs) and Jacob Kuipers (for the the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.