



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 14, 2010

H.R. 5604 **Surface Transportation Savings Act of 2010**

*As ordered reported by the House Committee on Transportation and Infrastructure
on July 1, 2010*

H.R. 5604 would rescind about \$107 million in contract authority (a mandatory form of budget authority) for certain transportation programs administered by the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), and the Federal Transit Administration (FTA). CBO estimates that enacting the bill would have no effect on direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

Spending of the contract authority targeted for rescission is controlled by limitations on obligations contained in appropriation acts and is therefore categorized as discretionary. The rescission of contract authority would have direct spending effects only if it would change outlays in 2010, for which the obligation limitations have already been set. Any effects in future years would depend on future appropriation actions.

By CBO's estimate, the rescissions in H.R. 5604 would not affect outlays in 2010. The contract authority currently available for FHWA, FTA, and NHTSA's administrative expenses exceeds the obligation limitations that have been enacted for 2010. Therefore, the contract authority for those agencies that would be rescinded by this bill would not be obligated or spent in 2010 and, under current law, will remain unavailable for spending until a future appropriation act sets an obligation limitation that would be high enough to encompass that amount.

Much of the contract authority that would be rescinded—\$81 million—was provided to NHTSA for seat belt performance grants. Though authority exists to obligate those funds, CBO expects that they will not be obligated this year in any event. Whether they would be obligated in future years, in the absence of this bill, would depend on obligation limitations set in future appropriation acts.

H.R. 5604 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Sarah Puro. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.