



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

March 30, 1998

**H.R. 2691**  
**National Highway Traffic Safety Administration**  
**Reauthorization Act of 1998**

*As ordered reported by the House Committee on Commerce on March 25, 1998*

**SUMMARY**

H.R. 2691 would authorize appropriations totaling \$262 million over fiscal years 1999 through 2001 for the National Highway Traffic Safety Administration's (NHTSA's) operations and research program. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 2691 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments. H.R. 2691 would impose new private-sector mandates, as defined by UMRA. CBO is unable to determine whether the costs of those mandates would exceed the statutory threshold.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

H.R. 2691 would authorize the appropriation of \$87.4 million each year from 1999 through 2001 for the NHTSA operations and research program. For purposes of this estimate, CBO assumes that the entire amounts authorized in the bill will be appropriated by the start of each fiscal year. Outlay estimates are based on historical spending rates for NHTSA.

The bill would require NHTSA to complete a rulemaking on publicizing information on the risks and benefits of motor vehicle equipment and conduct a study of the benefits of a device inside the trunk to release the lid. Funding for these activities would come from amounts authorized in H.R. 2691.

The estimated budgetary impact of H.R. 2691 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	75	0	0	0	0	0
Estimated Outlays	91	45	23	13	6	5
Proposed Changes						
Authorization Level	0	87	87	87	0	0
Estimated Outlays	0	51	74	83	37	13
Spending Under H.R. 2691						
Authorization Level <sup>a</sup>	75	87	87	87	0	0
Estimated Outlays	91	96	97	96	43	18

a. The 1998 level is the amount appropriated for that year.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2691 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 2691 would impose new private-sector mandates, as defined by UMRA, on manufacturers and retailers of motor vehicle equipment and on domestic and foreign automobile manufacturers.

The bill would prohibit retailers of motor vehicle equipment from selling or leasing a product when a manufacturer has sent them a defect notice related to motor vehicle safety. Motor vehicle equipment includes a variety of products, ranging from child safety seats to car jacks and brake fluid. Retailers include any seller who sells such products, ranging from toy stores to auto parts stores. Because of the lack of reliable information on current retail practices, CBO is unable to estimate the direct cost of complying with this mandate.

The bill would also change the formula that is used to determine the domestic content of automobiles. That content must be shown on a label attached to the automobile. Based on information from both domestic and foreign automobile manufactures, CBO estimates that this mandate would not impose any additional costs.

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