



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 24, 1998

H.R. 3164

Hydrographic Services Improvement Act of 1998

As ordered reported by the House Committee on Resources on March 11, 1998

SUMMARY

H.R. 3164 would:

- authorize appropriations totaling \$581 million over the 1999-2003 period for the National Oceanic and Atmospheric Administration (NOAA) for providing hydrographic services;
- authorize NOAA to certify hydrographic products that satisfy federal standards. (A NOAA emblem would distinguish certified products. NOAA would be authorized to charge a fee for this service and to spend proceeds from these fees without appropriation action); and
- prohibit NOAA from establishing or increasing any fees for hydrographic services except as authorized under current law and this legislation.

Assuming appropriation of the authorized amounts, CBO estimates that enacting H.R. 3164 would result in additional discretionary spending of \$503 million over the 1999-2003 period for the navigation services provided by NOAA. The legislation also would affect direct spending by authorizing NOAA to collect fees and spend the proceeds without appropriation; therefore, pay-as-you-go procedures would apply. CBO estimates that neither the collection nor the spending of fees would have a significant impact on the federal budget in any year. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3164 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|--|--|------|------|------|------|------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Spending Under Current Law for NOAA's Navigation Services | | | | | | |
| Budget Authority ^a | 88 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 87 | 37 | 13 | 6 | 0 | 0 |
| Proposed Changes | | | | | | |
| Authorization Level | 0 | 108 | 114 | 116 | 120 | 123 |
| Estimated Outlays | 0 | 63 | 95 | 107 | 117 | 121 |
| Spending Under H.R. 3164 for NOAA's Navigation Services | | | | | | |
| Authorization Level ^a | 88 | 108 | 114 | 116 | 120 | 123 |
| Estimated Outlays | 87 | 100 | 108 | 113 | 117 | 121 |

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

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 3164 will be enacted by the end of fiscal year 1998 and that all authorized amounts for NOAA's navigation services would be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for the authorized programs.

Based on information from NOAA, CBO assumes that the agency would begin certifying hydrographic products and collecting fees in fiscal year 1999. Based on information from NOAA, CBO estimates that proceeds from fees would be less than \$500,000 per year. The fees would be recorded as offsetting receipts and would be available for spending without further appropriation action. Accordingly, the increase in offsetting receipts would be offset by additional direct spending and the provision would have no significant net impact on the federal budget.

CBO estimates that there would be no budgetary impact from prohibiting new fees or increases in fees for hydrographic products that are not authorized under current law. The only existing fees for hydrographic products are charges for creating, publishing, and distributing nautical maps and charts. These fees yield offsetting receipts totaling about \$7 million a year. Such fees can be increased under current law and H.R. 3164 would not affect that authority.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting H.R. 3164 would affect direct spending but that there would be no significant impact in any year. Enacting the legislation would not affect governmental receipts.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3164 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

The bill would prohibit NOAA from installing any Physical Oceanographic Real-Time Systems (PORTS), or operating existing systems after October 1, 1999, unless the local sponsor of a system or another federal agency agrees to assume the operations and maintenance expenses of the system. Based on information provided by agency officials, CBO estimates that the federal government will pay operations and maintenance costs of about \$600,000 for two existing PORTS in the current year. The operating costs of the two other PORTS currently in operation are already paid by local authorities. H.R. 3164 would probably require that all these costs be shifted to local authorities, should they choose to keep the systems in place, but such a shift might take place even under current law.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

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