



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 27, 1999

H.R. 2681

Rail Passenger Disaster Family Assistance Act of 1999

*As ordered reported by the House Committee on Transportation and Infrastructure
on August 5, 1999*

SUMMARY

CBO estimates that implementing H.R. 2681 would not have a significant impact on the federal budget. H.R. 2681 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 2681 contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that these costs would not be significant and would not meet the thresholds established by that act.

H.R. 2681 would establish a formal system to provide assistance to families of those involved in rail passenger accidents. It would apply only to those accidents within the United States involving interstate intercity rail carriers or intrastate high-speed rail carriers, but not those involving tourist, historic, or excursion rail carriers. The bill would direct the National Transportation Safety Board (NTSB) to assign a director of family support services to assist the families of passengers involved in the accidents, including serving as a contact person in the federal government and acting as a liaison between the families and the rail carrier. Since the NTSB already has a director of family affairs to respond to aviation accidents, the provisions of this bill could be handled in the same office with no significant additional cost to the federal government. Under H.R. 2681, the NTSB would also designate a nonprofit organization to provide counseling and other support to the families. The bill outlines some of the responsibilities of the selected organization.

H.R. 2681 would direct rail passenger carriers to develop a plan of action for responding to a rail accident. The bill includes guidelines for this document and would require that it be completed within six months after the enactment of the bill. Also, any rail passenger carrier involved in a major accident would have to provide as complete a passenger list as possible to both the NTSB and the organization designated by the NTSB upon request. The rail carrier would not be liable for damages as a result of disclosing the list. In addition, the bill

would prohibit attorneys from soliciting victims' families (excluding rail employees' relatives) for 45 days following the accident.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

Because H.R. 2681 would not significantly increase NTSB's workload, CBO estimates that implementing the bill would cost less than \$500,000 a year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL AND TRIBAL GOVERNMENTS

H.R. 2681 contains intergovernmental mandates as defined in UMRA, but CBO estimates that because they would not require states to change laws or take action, the costs would not be significant and would not meet the threshold established by that act (\$50 million in 1996, adjusted annually for inflation). The bill would prohibit a state or local government from preventing people associated with disaster counseling services who are not licensed in that state from providing those services for up to 60 days after a rail passenger accident. In addition, the bill would prohibit a person, including state and local governments, from impeding the actions of the NTSB that would be required by this bill. Last, the bill would preempt state liability laws by limiting the liability of rail passenger carriers that provide passenger lists or information concerning train reservations.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2681 would impose three new federal mandates on the private sector. First, the bill would prohibit any person from hindering the ability of the National Transportation Safety Board and the designated nonprofit organization in carrying out their responsibilities under the bill or from hindering the ability of families of passengers to contact one another. Second, attorneys or other potential parties would be prohibited for a 45-day period from making unsolicited contact concerning potential legal action with injured passengers or family members. Information provided by the legal community indicates that state bar associations have a variety of regulations governing the action of attorneys after such disasters, but most do not prohibit such contact for a period as long as 45 days. CBO estimates that the private sector's cost of compliance with these prohibitions would be minimal.

Third, the bill would require passenger rail carriers to submit a plan detailing assurances and procedures to be invoked in case of a railway accident involving a major loss of life. Such a plan would have to be submitted to the NTSB and to the Secretary of Transportation no later than six months after the enactment of the bill. According to industry experts, Amtrak is the only current passenger rail carrier that would be affected by the provisions in the bill. Although the federal government holds most of Amtrak's stock, Amtrak was incorporated as a private company by the Rail Passenger Service Act of 1970 and is thus treated as a private-sector entity. Amtrak is currently modifying its plans to respond more extensively to the needs of families of rail accident passengers. According to Amtrak, the additional cost of any further modifications to incorporate the provisions in the bill and the cost of submitting the plan to the NTSB would be small. There also could be direct savings to Amtrak, as the bill limits the passenger rail carrier's liability arising from its preparing or providing a passenger list required by the bill.

CBO estimates that the total direct costs for private-sector mandates in this bill would fall well below the threshold (\$100 million in 1996, adjusted annually for inflation) established in UMRA.

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