



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 30, 2000

H.R. 4438
Samuel B. Moody Bataan Death March Compensation Act
As introduced on May 11, 2000

SUMMARY

The Samuel B. Moody Bataan Death March Compensation Act would entitle survivors of the 1942 Bataan death march to a payment for their time in captivity. CBO estimates that enacting the bill would cost \$88 million over the 2001-2005 period and \$101 million over the 2001-2010 period. Because the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 4438 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.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4438 is shown in the following table. The costs of this legislation would fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	24	25	25	7	6
Estimated Outlays	0	24	25	25	7	6

The bill would entitle any veteran who was captured at Bataan or Corregidor and survived the Bataan death march to a payment for the veteran’s time in captivity. If the veteran is deceased, the payment would go to the nearest surviving relative. CBO estimates that about

4,500 veterans from the two regions participated in the death march and survived the war. The Department of Defense would be required to pay \$4 a day for each day spent in captivity, compounded at a rate of 3 percent a year. On average, such veterans spent about three and a half years in captivity, making the payments about \$26,000 per beneficiary in 2000.

CBO estimates that about 80 percent of the 4,500 veterans or next-of-kin would receive payments under the bill because not all potential beneficiaries would learn of the benefit or be able to prove their eligibility. We estimate that most of the payments would occur over the 2001-2005 period when about 3,100 beneficiaries would collect benefits, resulting in outlays of \$88 million over that period. By 2010, CBO assumes that another 400 individuals, primarily next-of-kin, would find out about the benefit and apply, resulting in additional costs of \$13 million. CBO estimates that administrative costs to provide this benefit would be negligible.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	24	25	25	7	6	5	4	3	1	1
Changes in receipts											Not applicable

PREVIOUS CBO ESTIMATE

On April 28, 2000, CBO transmitted an estimate for S. 1806, as introduced. That bill would authorize the payment of a gratuity to certain members of the armed forces who served at Bataan or Corregidor during World War II, or the surviving spouse of such members. The estimated cost of S. 1806 is less than that of H.R. 4438 because the former would provide a smaller benefit to fewer beneficiaries.

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