



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 1999

### **S. 712**

#### **Look, Listen, and Live Stamp Act**

*As ordered reported by the Senate Committee on Governmental Affairs on May 20, 1999*

CBO estimates that enacting S. 712 would result in changes in direct spending of less than \$1 million in each of fiscal years 2000 through 2003 and a net change of zero over the 2000-2003 period. Because enactment of the bill would affect direct spending, pay-as-you-go procedures would apply. Implementing this legislation also would increase discretionary spending by about \$250,000 over the 2001-2002 period, assuming appropriation of the necessary amounts. S. 712 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

S. 712 would direct the United States Postal Service to issue a special postage stamp for first-class mail that would cost participating customers up to 25 percent above the regular rate. Any amounts collected from the special stamp (called a semipostal), after accounting for the Postal Service's administrative costs, would be paid to the Department of Transportation (DOT) for safety programs for highway-rail grade crossings. The Postal Service would have 12 months after enactment to make the semipostal available to the public, and the program would terminate two years thereafter. In addition, the bill would direct the General Accounting Office (GAO) to prepare a report on this semipostal program.

Payments of amounts above the regular first-class postage rate (currently 33 cents) would constitute a donation to the federal government and would normally be classified as governmental receipts. The surcharges on the breast cancer semipostal issued in 1998, however, were treated as offsetting collections, that is, negative outlays. Assuming enactment of S. 712 near the end of fiscal year 1999, CBO expects that the semipostal would not be available for sale until late in fiscal year 2000. Therefore, CBO estimates that any changes in offsetting collections would be less than \$500,000 in fiscal year 2000. We estimate that the increase in such collections would be about \$1 million in each of 2001 and 2002. Spending of such collections, including anticipated spending by the DOT, would be less than \$500,000 in fiscal years 2000 and 2001, about \$1 million in 2002, and less than \$500,000 in

2003. The changes in spending would equal the changes in collections over the 2000-2003 period but generally would occur somewhat later. Net outlays over the 2000-2003 period would be zero.

S. 712 would direct GAO to prepare a report on the semipostal's effectiveness as a fundraising tool and on its financial impact on the Postal Service. Based on information from GAO, we estimate that the report would cost about \$250,000 over the fiscal years 2001 and 2002, assuming appropriation of the necessary amounts.

Because cash flows of the Postal Service are categorized as off-budget, only the spending by DOT under S. 712 would be subject to pay-as-you-go procedures. The only year in which such spending would not be less than \$500,000 is fiscal year 2002. The bill's pay-as-you-go effects are summarized in the following table.

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
Changes in outlays	0	0	0	1	0	0
Changes in receipts			Not applicable			

The CBO staff contact for this estimate is Mark Grabowicz.. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.