



**CONGRESSIONAL BUDGET OFFICE  
PAY-AS-YOU-GO ESTIMATE**

August 1, 2002

**H.R. 3525  
Enhanced Border Security and Visa Entry Reform Act of 2002**

*As cleared by the Congress on May 8, 2002 and  
signed by the President on May 14, 2002*

CBO estimates that H.R. 3525 (enacted as Public Law 107-173) will result in no significant net cost to the federal government. The act will affect direct spending, but we estimate that any net effects will not be significant.

H.R. 3525 sets the amount of the machine-readable visa (MRV) fee at \$65 and establishes a surcharge of \$10 for issuing an MRV in a nonmachine-readable passport. Under prior law, the Secretary of State had the authority to raise MRV fees at his discretion, and on June 1, 2002, the department implemented a new schedule of consular fees, including an increase in the MRV fee from \$45 to \$65. According to the State Department, it would be nearly impossible to collect the \$10 surcharge under the existing application procedures because banks that collect various application fees would be unable to distinguish machine-readable passports from nonmachine-readable ones. Because the State Department currently does not have a specific plan for collecting the new surcharge, CBO cannot estimate the additional amounts that will be collected and spent, but the net effects will not be significant in any year.

H.R. 3525 also will increase the penalty from \$300 to \$1,000 for improper submission of passenger manifests by carriers entering United States ports. This provision will increase both collections and spending of such penalties by the Immigration and Naturalization Service (INS), but CBO estimates that the net effect will be less than \$500,000 annually.

The CBO staff contacts for this estimate are Mark Grabowicz (for INS costs) and Sunita D'Monte (for State Department costs). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.