



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 27, 2004

**Public Transportation Terrorism Prevention Act of 2004**

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs  
on May 6, 2004*

**SUMMARY**

This bill would authorize the Secretary of Homeland Security to provide grants to transit agencies to improve the security of transit systems and grants to private entities to develop technologies for deterring terrorist attacks and mitigating damages from such attacks. For these grants, the bill would authorize the appropriation of \$5.2 billion. Assuming appropriation of the authorized amounts, CBO estimates that implementing these provisions would cost \$4.9 billion over the 2005-2009 period and another \$280 million after 2009.

In addition to authorizing appropriations for grants, the bill would require the Federal Transit Administration (FTA) to assess the security of transit systems. The bill also would require the Secretary of Homeland Security to report to the Congress and to the governor of each state on the use of the grants for security improvements. Finally, the bill would authorize appropriations for the Information Sharing and Analysis Center (ISAC) for Public Transportation. Assuming appropriation of the necessary amounts, CBO estimates that implementing these provisions would cost about \$2 million each year over the 2005-2007 period.

CBO estimates that enacting the legislation would not affect direct spending or revenues.

This bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would require public transportation agencies that the Secretary of Homeland Security determines to be at significant risk of terrorist attack to participate in the Information Sharing and Analysis Center for Public Transportation. CBO estimates that the administrative costs for agencies that do not already participate in the information clearinghouse would be minimal and would fall significantly below the threshold for intergovernmental mandates as defined by UMRA (\$60 million in 2004, adjusted annually for inflation).

As a whole, state and local governments would benefit from the shared resources of ISAC and from grants to upgrade transit security. Public transportation agencies would comply with any related grant requirements as a condition of receiving federal aid.

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

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of the legislation is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Estimated Authorization Level	4,502	502	202	0	0
Estimated Outlays	847	1,688	1,068	745	578

**BASIS OF ESTIMATE**

The legislation would authorize the Secretary of Homeland Security to provide grants to transit agencies and other entities for security-related activities. The bill also would require the government to conduct security assessments, report on grant activities, and cover the cost of the ISAC for public transportation.

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2004 and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the Department of Transportation, the Information Sharing and Analysis Center for Public Transportation, and historical spending patterns of similar programs.

## **Security Grants**

The legislation would authorize the appropriation of \$3.5 billion in 2005 for grants to transit agencies for capital investments to improve the security of transit systems. The bill would authorize the appropriation of another \$1.5 billion over the 2005-2007 period for grants to transit agencies for operational improvements to security such as training, emergency drills, or public awareness campaigns. Finally, the bill would authorize the appropriation of \$200 million in 2005 for grants to private entities for developing technologies that would deter terrorist attacks or mitigate the damages from such attacks. Assuming appropriation of the authorized amounts, CBO estimates these provisions would cost \$4.9 billion over the 2005-2009 period and another \$280 million after 2009.

## **Assessments and Reports**

The legislation would require FTA to assess the security of transit systems and require the Secretary of Homeland Security to report to the Congress and each governor on the use of grants provided to transit agencies for security improvements. The bill would require that those assessments and reports be completed each year over the 2005-2007 period. Assuming appropriation of the necessary amounts, CBO estimates implementing these provisions would cost about \$1 million each year over that period.

## **ISAC for Public Transportation**

The ISAC for Public Transportation distributes information to public transit agencies on security threats and helps transit agencies share security-related information. The legislation would require the Department of Homeland Security to cover the costs of the ISAC over the 2005-2007 period, and assuming appropriation of the necessary amounts, CBO estimates this provisions would cost about \$600,000 each year over that period.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

This bill contains an intergovernmental mandate as defined in UMRA because it would require public transportation agencies that the Secretary of Homeland Security determines to be at significant risk of terrorist attack to participate in the Information Sharing and Analysis Center for Public Transportation. CBO estimates that the administrative costs for agencies that do not already participate in the information clearinghouse would be minimal

and would fall significantly below the threshold for intergovernmental mandates as defined by UMRA (\$60 million in 2004, adjusted annually for inflation).

As a whole, state and local governments would benefit from the shared resources of ISAC and from grants to upgrade transit security. Public transportation agencies would comply with any related grant requirements as a condition of receiving federal aid.

### **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

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

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