



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 9, 2005

H.R. 3496
National Capital Transportation Amendments Act of 2005
*As ordered reported by the House Committee on Government Reform
on October 20, 2005*

SUMMARY

H.R. 3496 would authorize the appropriation of \$1.5 billion for grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital and preventive maintenance projects. Assuming appropriation of the amount specified in the bill, CBO estimates that implementing H.R. 3496 would cost \$310 million over the 2008-2010 period and another \$1,190 million after 2010.

H.R. 3496 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to WMATA would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation). Other costs to WMATA, the District of Columbia, Maryland, and Virginia would result from complying with conditions of federal assistance. H.R. 3496 contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3496 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2006	2007	2008	2009	2010
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	0	150	150	150
Estimated Outlays	0	0	50	100	160

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3496 will be enacted in fiscal year 2006 and that the authorized amount will be appropriated in equal installments over a 10-year period, beginning in 2008.

H.R. 3496 would authorize the Secretary of Transportation to make grants to WMATA to cover 50 percent of the cost of capital and preventive maintenance projects listed in the Capital Improvement Program approved by the transit authority's board of directors. For those grants, the bill would authorize the appropriation of \$1.5 billion to the Secretary.

Before receiving the grants, WMATA would need to create an Office of Inspector General, add four members to its board of directors, and amend the compact among the governments supporting WMATA to require those governments to create sources of funding dedicated solely to the transit authority. CBO estimates that those changes would delay the award of grants until 2008.

Assuming appropriation of the \$1.5 billion authorized under H.R. 3496, CBO estimates that implementing the bill would cost \$310 million over the 2008-2010 period and another \$1,190 million after 2010. That estimate of outlays is based on historical spending patterns of grants to WMATA.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3496 contains intergovernmental mandates as defined in UMRA because it would require WMATA to meet several requirements before selling or developing certain properties that it owns. CBO estimates that complying with the requirements themselves would not be costly but that the land affected by the provisions is valued at about \$15 million. Even if the requirements would prevent WMATA from selling the land, the cost of the mandates would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation).

As a condition of receiving \$1.5 billion over 10 years for certain capital and preventative maintenance projects, the bill would require WMATA to create an Office of Inspector General and to expand the Board of Directors. Also as a condition of receiving those grants, the District of Columbia, Maryland, and Virginia would be required to earmark funds to support WMATA and to match the federal assistance.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 3496 contains no new private-sector mandates as defined in UMRA.

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