



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 28, 2005

### **H.R. 4501** **Passport Services Enhancement Act of 2005**

*As cleared by the Congress on December 22, 2005*

H.R. 4501 would authorize the Department of State to collect a new surcharge on passports to cover additional costs related to processing passport applications. Payments under the act would be deposited as offsetting collections and remain available until expended to meet additional expenses of passport processing. This authority would expire in 2010. Based on information from the department, CBO estimates the department would collect and spend roughly \$50 million in 2006, \$120 million in 2007, and an average of \$150 million a year over the 2008-2010 period. These effects are considered direct spending, but the collections and spending would offset each other; thus the act would have no significant effect on such spending. The act would not affect revenues.

The Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458) requires passports or other secure documentation from all U.S. citizens entering the United States from other countries in the Western Hemisphere, and has generated a surge in demand for passports. To cover the costs of this increased workload, the department plans to charge a surcharge of \$8 per passport application (starting on April 1, 2006) if H.R. 4501 is enacted. (Without the authority for these new collections, the department might have to seek more discretionary appropriations to meet workload requirements.) The department estimates it will issue a total of 6 million passports over the April-September period in 2006, 15 million in 2007, and 17 million in 2008. By extrapolating, CBO estimates applications would reach 19 million in 2009 and 21 million in 2010.

On December 15, 2005, CBO transmitted a cost estimate for H.R. 4501, as introduced on December 13, 2005. The two versions of the legislation are identical, as are our two estimates.

The CBO staff contact is Sunita D'Monte. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.