



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

December 5, 2005

**S. 2032**

**Public Transportation Terrorism Prevention Act of 2005**

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs  
on November 16, 2005*

**SUMMARY**

S. 2032 would authorize the Secretary of Homeland Security to provide \$3.5 billion in grants to public transportation agencies to improve the security of transit systems, and grants to public and private entities to study ways of deterring terrorist attacks against transit systems and mitigating damages from such attacks. Assuming appropriation of the amounts specified in the bill for these grants, CBO estimates that implementing these provisions would cost about \$2.8 billion over the 2007-2010 period and about \$700 million after 2010.

In addition to authorizing appropriations for grants, the bill would require the Secretary to review security assessments submitted by public transportation agencies, assess the security of bus and rural transportation systems, and report to the Congress and to the governor of each state on the use of the grants for security improvements. Finally, S. 2032 would authorize grants 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 2007-2010 period.

S. 2032 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to public transportation agencies would be minimal and would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation). S. 2032 contains no new private-sector mandates as defined in UMRA.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2032 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
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Capital Security Grants					
Authorization Level	0	2,370	0	0	0
Estimated Outlays	0	166	711	474	356
Operational Security Grants					
Authorization Level	0	534	333	133	0
Estimated Outlays	0	267	567	153	13
Research Grants					
Authorization Level	0	130	0	0	0
Estimated Outlays	0	3	56	42	13
ISAC for Public Transportation Grants					
Estimated Authorization Level	0	2	2	2	2
Estimated Outlays	0	2	2	2	2
Total Changes					
Estimated Authorization Level	0	3,036	335	135	2
Estimated Outlays	0	448	1,336	671	384

## BASIS OF ESTIMATE

S. 2032 bill would authorize the Secretary of Homeland Security to provide grants to public transportation agencies for security-related activities, and provide grants to public and private entities to research ways to improve the security of public transportation systems. The bill also would authorize the Secretary to cover the costs of the ISAC for Public Transportation. Finally, the bill would require the Secretary to review security assessments, evaluate the security of certain transportation systems, and report on grant activities.

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2006 and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the ISAC for Public Transportation and historical spending patterns of similar programs.

## **Security Grants**

S. 2032 would authorize the appropriation of about \$2.37 billion in 2007 for grants to public transportation agencies for capital investments to improve the security of their transit systems. The bill also would authorize the appropriation of another \$1 billion over the 2007-2009 period for grants to public transportation agencies for operational improvements to security such as training, emergency drills, or public awareness campaigns. Assuming appropriation of the authorized amounts, CBO estimates implementing those provisions would cost about \$2.7 billion over the 2007-2010 period and about \$660 million after 2010.

## **Research Grants**

S. 2032 would authorize the appropriation of \$130 million in 2007 for grants to public and private entities to research ways of deterring terrorist attacks against public transportation systems and mitigating damages from such attacks. Research funded by those grants may include studying chemical, biological, radiological, or explosive detection systems, or conducting product evaluations and testing. Assuming appropriation of the authorized amounts, CBO estimates that providing those grants would cost \$124 million over the 2007-2010 period and another \$6 million after 2010.

## **ISAC for Public Transportation Grants**

The ISAC for Public Transportation (a private entity) distributes information to public transportation agencies on security threats and helps transit agencies to share security-related information. S. 2032 would require the Secretary of Homeland Security to cover the costs of the ISAC. Assuming appropriation of the necessary amounts, CBO estimates this provision would cost about \$1 million each year beginning in 2007.

## **Assessments and Reports**

S. 2032 would require the Secretary of Homeland Security to review all security assessments submitted by public transportation agencies, evaluate the security of bus and rural public transportation systems, and report to the Congress and to the governor of each state on the use of the grants for security improvements. Assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost about \$1 million each year over the 2007-2010 period.

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

S. 2032 contains an intergovernmental mandate as defined in UMRA. A provision in section 5 would require certain public transportation agencies to participate in the ISAC for Public Transportation. While the Department of Homeland Security would fund the ISAC, the requirement on certain public transportation agencies to participate in the ISAC would constitute a mandate as defined in UMRA. Since most public transportation agencies that could be at significant risk of a terrorist attack already participate in the ISAC, CBO estimates that the costs to public transportation agencies would be minimal and would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation).

Other provisions of the bill would provide benefits to state, local, and tribal governments by authorizing grants to public transportation agencies for certain upgrades to security systems.

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

S. 2032 contains no new private-sector mandates as defined in UMRA.

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