



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 11, 2012

### **H.R. 4251** **SMART Port Security Act**

*As ordered reported by the House Committee on Homeland Security on June 6, 2012*

#### **SUMMARY**

H.R. 4251 would require the Department of Homeland Security (DHS) to carry out two pilot programs relating to border and port security and would direct DHS and the Government Accountability Office (GAO) to prepare several reports on improving port security. In addition, the legislation would authorize the appropriation of \$4 million for a security program jointly operated by the United States Coast Guard (USCG) and the Canadian government. H.R. 4251 also would direct DHS to make changes to procedures for issuing Transportation Worker Identification Credentials (TWICs) to individuals who require unescorted access to secure areas of ports and certain other facilities.

CBO estimates that implementing this legislation would cost \$9 million over the next five years, assuming appropriation of the necessary amounts. Changes to the TWIC program could affect offsetting receipts and subsequent direct spending; therefore, pay-as-you-go procedures apply. CBO estimates, however, that the net impact of any such effects would not be significant in any year. Enacting H.R. 4251 would not affect revenues.

H.R. 4251 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 4251 is shown in the following table. The cost of this legislation falls within budget functions 400 (transportation), 450 (community and regional development), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Pilot Programs and Reports						
Estimated Authorization Level	5	*	*	0	0	5
Estimated Outlays	5	*	*	0	0	5
Coast Guard Border Security Program						
Authorization Level	2	2	0	0	0	4
Estimated Outlays	1	2	1	0	0	4
Total Changes						
Estimated Authorization Level	7	2	*	0	0	9
Estimated Outlays	6	2	1	0	0	9

Note: \* = less than \$500,000.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of 2012 and that amounts specified and estimated to be necessary will be appropriated for each year.

### Spending Subject to Appropriation

**Pilot Programs and Reports.** H.R. 4251 would direct DHS to carry out pilot programs relating to the use of unmanned aircraft to patrol the United States border with Canada and the expansion of a trade security program.

The legislation also would require DHS and GAO to prepare several reports, most within one year of the bill's enactment. Those reports would address issues that include the following: updating the Maritime Operations Coordination Plan, identifying duplicative programs and goals, assessing the deployment of personnel and equipment within interagency operational centers, and analyzing the threats and consequences of attacks by small vessels on U.S. ports or maritime interests. Based on the costs of similar activities, CBO estimates that the pilot programs and reports required by H.R. 4251 would cost about \$5 million over the 2013-2015 period.

**Coast Guard Border Security Program.** H.R. 4251 would authorize the appropriation of \$4 million over the next two years for the USCG to continue working with the

Canadian government to coordinate maritime security operations and to conduct joint training. CBO estimates that implementing this provision would cost \$4 million over the 2013-2015 period, assuming appropriation of the specified amounts.

## **Direct Spending**

The Maritime Transportation Security Act (Public Law 107-295) directs the Secretary of Homeland Security to prohibit unauthorized individuals from accessing secure areas of ports, vessels, facilities on the outer continental shelf, and all credentialed merchant mariners. To meet that requirement, the Transportation Security Administration (TSA) issues credentials with biometric information, known as TWICs, to workers who require unescorted access to such areas. Under current administrative procedures, obtaining a TWIC requires at least two in-person visits to a TWIC enrollment center. H.R. 4251 would direct the Secretary of Homeland Security to reform those procedures to ensure that individuals seeking a TWIC would need to make one such in-person visit. The bill also would extend, through June 30, 2014, the expiration date of TWICs for individuals whose credentials would otherwise expire sooner.

The costs of implementing reformed TWIC procedures under H.R. 4251 are uncertain and would depend on specific changes that TSA would make. Current law directs TSA to collect and spend cost-based fees from TWIC applicants to administer the program. For this estimate, CBO assumes that TSA would revise fees to offset any change in TSA's costs to administer the TWIC program under H.R. 4251. Any such changes to offsetting receipts from such fees and subsequent spending would be considered direct spending; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any resulting net changes in direct spending under H.R. 4251 would not be significant in any year.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that the legislation would have an insignificant impact on direct spending.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 4251 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On June 8, 2012, CBO transmitted a cost estimate for H.R. 3173, a bill to direct the Secretary of Homeland Security to reform the process for the enrollment, activation, issuance, and renewal of a Transportation Worker Identification Credential (TWIC) to require, in total, not more than one in-person visit to a designated enrollment center, as ordered reported by the House Committee on Homeland Security on May 9, 2012. Provisions of H.R. 3173 and H.R. 4251 that would require DHS to modify procedures related to the TWIC program are substantively similar, and our cost estimates are the same.

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