



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 25, 2011

H.R. 662 **Surface Transportation Extension Act of 2011**

*As ordered reported by the House Committee on Transportation and Infrastructure
on February 16, 2011*

H.R. 662 would extend through September 30, 2011, the surface transportation programs originally authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU, Public Law 109-59). SAFETEA-LU was most recently extended in the Hiring Incentives to Restore Employment of 2010, Public Law 111-147. CBO estimates that enacting H.R. 662 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill would set the amount of contract authority (the authority to incur obligations in advance of appropriations, a mandatory form of budget authority) at \$52.7 billion for 2011. Consistent with the rules in the Balanced Budget and Emergency Deficit Control Act for constructing the baseline, CBO assumes that funding provided by the bill would continue at the same rate in each of the following years. Hence, CBO estimates that enacting the bill would result in contract authority totaling \$580 billion over the 2011-2021 period. That funding level is identical to the contract authority currently projected in CBO's baseline for the 2011-2021 period; consequently, enacting H.R. 662 would not provide additional budget authority above the amounts assumed under current law. CBO expects that most spending from surface transportation programs will continue to be controlled by limits on annual obligations set in appropriation acts.

H.R. 662 would authorize the appropriation of \$2.2 billion for three programs administered by the Federal Transit Administration for 2011. A full-year appropriation for those programs has not yet been enacted for fiscal year 2011. The annualized amount of the appropriation provided in the continuing resolution for those programs is equivalent to \$2.2 billion.

CBO has determined that the nontax provisions of H.R. 662 contain no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Sarah Puro. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.