



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 14, 2011

S. 1430
Maritime Administration Authorization Act for Fiscal Year 2012
*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on November 2, 2011*

SUMMARY

S. 1430 would amend various laws governing the activities of the Maritime Administration (MARAD) and would authorize appropriations for that agency for fiscal year 2012. Assuming appropriation of the amounts specifically authorized (\$185 million) and estimated to be necessary (\$3 million), CBO estimates that implementing S. 1430 would cost \$188 million over the 2012-2016 period. Pay-as-you-go procedures apply to the legislation; however, CBO estimates that the bill would have no significant net impact on direct spending and would not affect revenues.

S. 1430 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1430 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	188	0	0	0	0	188
Estimated Outlays	150	24	14	0	0	188

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1430 will be enacted in 2012 and that the amounts authorized by the bill will be appropriated for 2012. Estimated outlays are based on historical spending patterns for MARAD activities.

CBO estimates that S. 1430 would authorize the appropriation of \$188 million for MARAD activities. That amount includes \$162 million for operations and training, \$19 million for the agency's program to dispose of obsolete vessels in the National Defense Reserve Fleet, and \$4 million for the administrative costs of loan guarantees. The bill also would require MARAD to complete a study of the Marine Transportation System and the Maritime workforce that CBO estimates would cost \$3 million to complete. Assuming appropriation of the amounts specifically authorized and estimated to be necessary, CBO estimates that implementing S. 1430 would cost \$188 million over the 2012-2016 period.

Section 5 of the legislation would authorize MARAD to establish a green ships program to study technologies to reduce pollution from ships. The bill would authorize MARAD to offset some or all of the costs of that program by charging fees to industry stakeholders who submit their technologies to MARAD for testing. Those amounts would be available to be spent without further appropriation, and CBO estimates that spending of those collections would not result in any significant net change in direct spending. In 2011, MARAD received an appropriation of about \$3 million through the Operations and Training account for a similar technology testing program.

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. Pay-as-you-go procedures apply to S. 1430 because enacting the legislation could affect direct spending. However, CBO estimates that enacting the bill would have no significant net effect on direct spending in any year. (Enacting S. 1430 would not affect revenues.)

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1430 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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