



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

October 31, 2014

**S. 2777  
Surface Transportation Board Reauthorization Act of 2014**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on September 17, 2014*

**SUMMARY**

S. 2777 would authorize the programs of the Surface Transportation Board (STB), establish the STB as an independent government agency outside the auspices of the Department of Transportation (DOT), and authorize other changes in the agency's operations. Based on information from the DOT, CBO estimates that implementing the bill would cost \$164 million over the 2015-2019 period, assuming the appropriation of the amounts authorized and estimated to be necessary.

Enacting S. 2777 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 2777 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 effect of S. 2777 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Surface Transportation Board						
Authorization Level <sup>a</sup>	3	35	36	36	36	146
Estimated Outlays	2	33	36	36	36	143
Additional Activities by Surface Transportation Board and DOT Inspector General						
Estimated Authorization Level	2	5	5	5	5	22
Estimated Outlays	1	5	5	5	5	21
Total Changes						
Estimated Authorization Level	5	40	41	41	41	168
Estimated Outlays	3	38	41	41	41	164

Note: DOT = Department of Transportation.

a. The legislation would authorize the appropriation of \$33 million in 2015, but \$30 million (on an annualized basis) has already been appropriated for the agency in 2015.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes the bill will be enacted by the end of calendar year 2014 and that the amounts authorized and estimated to be necessary will be appropriated.

S. 2777 would specifically authorize the appropriation of an additional \$176 million for the operation of the STB over the 2015-2019 period. The STB received an appropriation of \$30 million in fiscal year 2014 and the same amount (on an annualized basis) in the Continuing Appropriations Resolution, 2015 (Public Law 113-164).

According to the board, the requirements in the bill to expand the number of board members and their associated staff, to allow it to initiate proceedings against companies, and to make it independent of the Department of Transportation (DOT) would impose additional costs on the board. S. 2777 also would authorize the appropriation of such sums as necessary for DOT's Inspector General to investigate certain aspects of the STB's operations. CBO estimates those additional responsibilities would cost \$5 million a year in addition to the amounts specifically authorized in the bill. Those additional amounts would be primarily for salaries and benefits for additional employees hired over the 2015-2016 period. In total, CBO estimates implementing S. 2777 would cost \$164 million over the 2015-2019 period.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2777 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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