



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 11, 2015

### **H.R. 3878** **Strengthening Cybersecurity Information Sharing and Coordination in Our Ports Act of 2015**

*As ordered reported by the House Committee on Homeland Security on November 4, 2015*

#### **SUMMARY**

H.R. 3878 would require the Secretary of Homeland Security to expand efforts to enhance the cybersecurity of U.S. ports. The bill also would clarify that the U.S. Coast Guard, the agency within the Department of Homeland Security (DHS) primarily responsible for activities related to maritime security, is authorized to pursue efforts related to cybersecurity. Based on information from DHS, CBO estimates that implementing H.R. 3878 would cost \$37 million over the 2016-2020 period, assuming appropriation of the necessary amounts.

Pay-as-you-go procedures do not apply to this legislation because enacting it would not affect direct spending or revenues. CBO estimates that enacting H.R. 3878 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 3878 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the cost of complying with the mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$77 million and \$154 million in 2015, respectively, adjusted annually for inflation).

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

The estimated budgetary effect of H.R. 3878 is shown in the following table. The costs of this legislation fall primarily within budget functions 050 (defense), 400 (transportation), and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2016-2020
	2016	2017	2018	2019	2020	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	8	8	8	8	8	40
Estimated Outlays	5	8	8	8	8	37

## **BASIS OF ESTIMATE**

H.R. 3878 would direct DHS to pursue a variety of activities to enhance cybersecurity, particularly by increasing the capacity for information sharing among maritime stakeholders in the federal, state, local, and private sectors. The bill would direct DHS to develop a model for assessing maritime-related cybersecurity risks and require area maritime security advisory committees—stakeholder groups formed to address security-related issues at specific U.S. ports—to share information related to cybersecurity threats and develop plans to address port-specific vulnerabilities.

According to DHS, many of the activities required under the bill are consistent with current Administrative policy, but implementing some efforts—particularly those aimed at increasing the capacity for information sharing among maritime stakeholders—would require additional spending. Based on information from DHS, CBO estimates that fully funding such efforts would cost \$37 million over the 2016-2020 period, mostly for additional staff required to design and implement data-sharing systems and provide analytical support related to risk assessment.

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

## **INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS:**

CBO estimates that enacting H.R. 3878 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

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

H.R. 3878 would impose intergovernmental and private-sector mandates, as defined in UMRA, on owners and operators of port facilities and vessels by requiring them to incorporate cybersecurity information into their vulnerability assessments. The bill also would require facilities that submit security plans for approval after DHS develops a model for assessing maritime-related cybersecurity risk to address cybersecurity risks and to include a mitigation plan. Based on information from the U.S. Coast Guard about current practices among maritime facilities and vessels and the costs of incorporating cybersecurity measures, CBO estimates that the cost of complying with the mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$77 million and \$154 million in 2015, respectively, adjusted annually for inflation).

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