



October 30, 2015

Honorable Pete Sessions
Chairman
Committee on Rules
U.S. House of Representatives
Washington, DC 20515

RE: Cost Estimate for Rules Committee Print 114-32

Dear Mr. Chairman:

As you requested, the Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) have reviewed Rules Committee Print 114-32, an amendment to H.R. 22, the DRIVE Act (as passed by the Senate on July 30, 2015), as posted on the Web site of the House Committee on Rules on October 27, 2015. The estimated costs of the provisions of that amendment relative to CBO's baseline projections are presented in Table 1.

Major Provisions and Estimated Cost

Rules Committee Print 114-32 would:

- Provide \$158 billion in contract authority (the authority to incur obligations in advance of appropriation acts and a mandatory form of budget authority) for surface transportation programs over the 2016-2018 period;
- Provide \$2 billion in contract authority, over the 2019-2021 period, for the salaries and expenses of Department of Transportation (DOT) staff to administer the programs, primarily so that obligations made with contract authority from prior years could be liquidated;
- Rescind \$6 billion of unobligated contract authority in 2018;
- Authorize obligation limitations that would permit the use of \$157 billion of contract authority over the 2016-2020 period and authorize the appropriation of \$7 billion for programs administered by DOT; and

- Appropriate \$174 million for programs administered by the Pipeline and Hazardous Materials Safety Administration (PHMSA) over the 2016-2021 period.

CBO estimates that enacting Rules Committee Print 114-32 would:

- Result in contract authority that is \$355 billion less than the amount in CBO's baseline over the 2016-2025 period (see Table 2);
- Result in outlays of \$137 billion over the 2016-2020 period assuming appropriation actions consistent with provisions in Rules Committee Print 114-32;¹ and,
- Have no cost, relative to CBO's baseline, for the amount appropriated for PHMSA because it is equal to the amount projected in CBO's baseline for this program.

CBO estimates that enacting the bill would not affect direct spending outlays. JCT estimates that enacting provisions of the bill that would reduce tax-exempt bond issuances which would lead to an increase in revenues of \$17 million over the 2016-2025 period; therefore, pay-as-you-go procedures apply.

Previous Estimate

On October 30, 2015, CBO transmitted a cost estimate for H.R. 3763 as reported by the House Committee on Transportation and Infrastructure on October 29, 2015. Rules Committee Print 114-32 is similar to the provisions in H.R. 3763; however, it does not include provisions that would increase contract authority by about \$9 billion in 2017 nor does it contain a provision that would permit the Federal Transit Administration to spend certain funds on oversight activities for the safety of public transit. Those differences are reflected in the CBO's cost estimates.

1. CBO has not completed an estimate of other spending in Rules Committee Print 114-32 that is subject to appropriation but not authorized at a specified level.

Honorable Pete Sessions

Page 3

I hope this information is useful to you. If you need additional information on this amendment, the CBO staff contact is Sarah Puro, who can be reached at 226-2860.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is written in a cursive, somewhat stylized font.

Keith Hall

Director

Enclosure

cc: Honorable Peter A. DeFazio
Ranking Member

TABLE 1. SUMMARY OF THE BUDGETARY EFFECTS OF RULES COMMITTEE PRINT 114-32

	By Fiscal Year, in Millions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025	
CHANGES IN DIRECT SPENDING													
Contract Authority for Surface Transportation Programs													
Estimated Budget Authority	454	1,369	2,437	-50,413	-50,412	-50,412	-50,412	-50,412	-50,412	-50,412	-93,743	-345,803	
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	
Rescission of Contract Authority for Federal-Aid Highways Programs													
Budget Authority	0	0	-6,000	0	0	0	0	0	0	0	-6,000	-6,000	
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	
Total Changes													
Estimated Budget Authority	454	1,369	-3,563	-50,413	-50,412	-50,412	-50,412	-50,412	-50,412	-50,412	-102,565	-354,625	
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	
CHANGES IN REVENUES													
Estimated Revenues	0	0	0	2	2	3	3	3	3	3	4	17	
NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES													
Impact on Deficit	0	0	0	-2	-2	-3	-3	-3	-3	-3	-4	-17	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION													
Spending from the Highway Trust Fund													
Obligation Limitation	50,858	51,773	52,840	730	731	731	0	0	0	0	156,632	157,663	
Estimated Outlays	12,062	31,829	40,406	32,340	14,922	8,191	4,820	2,582	1,114	515	131,559	148,781	
Other Authorized Programs													
Authorization Level	2,387	2,431	2,481	88	90	92	0	0	0	0	7,477	7,569	
Estimated Outlays	572	1,170	1,628	1,385	1,020	748	482	232	63	21	5,775	7,321	
Total Changes													
Estimated Budgetary Resources	53,245	54,204	55,320	818	821	823	0	0	0	0	164,409	165,232	
Estimated Outlays	12,635	32,999	42,034	33,725	15,942	8,938	5,302	2,814	1,177	536	137,335	156,102	

TABLE 2. CONTRACT AUTHORITY PROVIDED BY RULES COMMITTEE PRINT 114-32

	By Fiscal Year, in Millions of Dollars											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2025	
Contract Authority Assumed In CBO's Baseline (before the enactment of Rules Committee Print 114-32)	51,143	51,143	51,143	51,143	51,143	51,143	51,143	51,143	51,143	51,143	51,143	511,430
Contract Authority Under Rules Committee Print 114-32												
Specified by Rules Committee Print 114-32	51,597	52,513	53,580	730	731	731	--	--	--	--	--	159,881
Assumed in the Baseline After 2021 ^a	--	--	--	--	--	--	731	731	731	731	731	2,924
Rescission	--	--	-6,000	--	--	--	--	--	--	--	--	-6,000
Total Contract Authority Under Rules Committee Print 114-32	51,597	52,513	47,580	730	731	731	731	731	731	731	731	156,806
Change in Contract Authority ^b	454	1,369	-3,563	-50,413	-50,412	-50,412	-50,412	-50,412	-50,412	-50,412	-50,412	-354,625

a. As required by law, CBO's baseline reflects the assumption that most mandatory programs (including programs funded from the Highway Trust Fund) that expire on specific dates will continue to operate as they did immediately before their expiration.

b. This line appears under the heading Total Changes: "Contract Authority for Surface Transportation Programs" in Table 1.