



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 1, 1998

H.R. 3809 **Drug Free Borders Act of 1998**

As ordered reported by the Senate Committee on Finance on September 10, 1998

SUMMARY

H.R. 3809 would authorize appropriations for 2000 and 2001 for the U.S. Customs Service, including funds for salaries and expenses, acquisitions, and the interdiction program. In addition, the act would make several changes to the laws that govern the operation of the Customs Service, including provisions regarding customs inspection services.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3809 would cost about \$4.5 billion over the 1999-2003 period. CBO estimates that H.R. 3809 would increase direct spending by about \$2 million annually, so pay-as-you-go procedures would apply. The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3809 is shown in the following table. For the purposes of this estimate, CBO assumes that the amounts authorized by the act will be appropriated by the start of each fiscal year and that outlays generally will follow the historical spending rates for the authorized activities. We expect that some funds will be spent more slowly than the historical rates because the act would provide substantial increases in authorizations relative to current funding levels. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Budget Authority ^a	1,715	1,734	0	0	0	0
Estimated Outlays	1,712	1,730	194	0	0	0
Proposed Changes						
Authorization Level	0	0	2,216	2,287	0	0
Estimated Outlays	0	0	1,782	2,310	412	0
Spending Under H.R. 3809						
Authorization Level ^a	1,715	1,734	2,216	2,287	0	0
Estimated Outlays	1,712	1,730	1,976	2,310	412	0
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	2	2	2	2	2
Estimated Outlays	0	2	2	2	2	2

a. The 1998 level is the amount appropriated for that year for the Customs Service's salaries and expenses and air interdiction accounts. The 1999 level is the total for those accounts that would be provided by the Senate in S. 2312, the Treasury and General Government Appropriations Act. A conference agreement for that appropriation act is pending.

H.R. 3809 would direct the Customs Service to increase the level of inspection services provided to commercial aircraft passengers arriving in the United States from Canada. The Customs Service expects that these costs would be paid out of a direct spending account (that is, from funds not subject to annual appropriation). Based on information from the Customs Service, CBO estimates that this provision would increase direct spending by about \$2 million annually.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting H.R. 3809 would increase direct spending by about \$2 million annually, beginning in fiscal year 1999. The act would not affect governmental receipts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3809 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no impact on the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On May 18, 1998, CBO prepared a cost estimate for H.R. 3809, as ordered reported by the House Committee on Ways and Means on May 14, 1998. That legislation authorized total appropriations of about \$4.2 billion for the fiscal years 1999 and 2000. CBO estimated that the House version of H.R. 3809 would increase direct spending by less than \$500,000 annually. The House version would not require the Customs Service to increase inspection services for aircraft arrivals from Canada (as would be required under the Senate version).

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