



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 16, 2018

S. 3273
Port Operations, Research, and Technology Act
*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on August 1, 2018*

SUMMARY

S. 3273 would expand the eligibility criteria for grants that the Maritime Administration (MARAD) is authorized to provide to improve infrastructure at maritime ports and facilities. The bill also would direct the Coast Guard (USCG) to undertake activities to promote the use of certain new maritime technologies.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 3273 would cost \$18 million over the 2019-2023 period. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 3273 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 3273 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 effect of S. 3273 is shown in the following table. The costs of the legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	5	5	5	5	6	26
Estimated Outlays	0	1	3	4	5	5	18

BASIS OF ESTIMATE

CBO assumes that the bill will be enacted by the end of 2018 and that the necessary amounts will be provided each year.

Under current law, MARAD is authorized to provide grants to support capital improvements at ports to benefit the U.S. maritime industry—the civilian mariners and fleet of U.S. vessels engaged primarily in waterborne commerce. Section 2 would specify that such grants could also be used for projects to improve intermodal facilities, which connect ports to different modes of transportation.

MARAD did not receive funding for grants to promote port development in 2018. Assuming that the grants authorized under S. 3273 are used for projects similar in scope and cost to those supported by MARAD’s existing grant program, CBO estimates that providing those grants would require appropriations of about \$5 million in the first year with increases each year thereafter to account for inflation. Based on historical spending patterns for grants administered by MARAD, CBO estimates that the outlays stemming from those grants would occur gradually over a period of about five years, totaling \$18 million over the 2019-2023 period (and \$8 million after 2023).

Section 3 would direct the USCG to establish a center of expertise to promote the use of new maritime technologies related to activities including surveillance and monitoring, search and rescue, emergency response, and law enforcement. (Under current law, the agency operates several such centers, which provide technical assistance on a range of issues related to maritime safety.) Because the USCG’s existing Research and Development Center is already pursuing similar activities, CBO expects that any increases in the agency’s costs to implement section 3—which would be subject to appropriation—would not exceed \$500,000 in any year. (In 2018, the USCG allocated about \$5 million in appropriated funds to those efforts.)

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 3273 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

S. 3273 contains no intergovernmental or private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On July 20, 2018, CBO transmitted a cost estimate for H.R. 6206, the Coast Guard Blue Technology Center of Expertise Act, as ordered reported by the House Committee on Transportation and Infrastructure on June 27, 2018. H.R. 6206 is similar to section 3 of S. 3273, and the estimated costs are the same for both bills.

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