



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 17, 2010

S. 3566 **Maritime Administration Authorization Act for Fiscal Year 2011**

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on July 15, 2010*

SUMMARY

S. 3566 would authorize appropriations for fiscal year 2011 for programs carried out by the Maritime Administration (MARAD). Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 3566 would cost \$169 million over the 2011-2015 period. Enacting S. 3566 would not affect revenues or direct spending; therefore, pay-as-you-go procedures do not apply.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 3566 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

By Fiscal Year, in Millions of Dollars					
2011	2012	2013	2014	2015	2011- 2015

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Authorization Level	169	0	0	0	0	169
Estimated Outlays	116	28	22	3	0	169

Note: The proposed authorization level does not include amounts specified in the legislation for maritime loan guarantees or payments to shipping companies under the maritime security program because such amounts are authorized for 2011 by existing statute.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 3566 will be enacted in 2010 and that the amounts authorized by the bill will be appropriated for 2011. Estimated outlays are based on historical spending patterns for MARAD activities.

CBO estimates that implementing S. 3566 would cost \$169 million over the 2011-2015 period, including \$159 million for MARAD operations and training and \$10 million for the agency's program to dispose of obsolete vessels in the National Defense Reserve Fleet.

Section 7 of the legislation would authorize MARAD to establish a green ship program to study technologies to reduce pollution from ships. Under the bill, MARAD could finance the program using donations or amounts appropriated for that purpose. For this estimate, CBO assumes that the green ship program would be funded, as it currently is, through appropriations to the Operations and Training account. For fiscal year 2010, MARAD received an appropriation of about \$3 million for the program.

Finally, S. 3566 would authorize appropriations for other MARAD programs, including \$174 million for subsidies to U.S. flag vessels under the maritime security program and \$4 million for the costs of administering maritime loan guarantees. Those amounts are not included in this cost estimate, however, because they are already authorized under current law.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3566 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On May 26, 2010, CBO transmitted a cost estimate for H.R. 5136, the National Defense Authorization Act for Fiscal Year 2011, as ordered reported by the House Committee on Armed Services on May 21, 2010. H.R. 5136 also would authorize funding for MARAD operations and ship disposal, but at a lower level than under S. 3566. On June 21, 2010, CBO transmitted a cost estimate for S. 3454, the National Defense Authorization Act for Fiscal Year 2011, as ordered reported by the Senate Committee on Armed Services on June 4, 2010. That legislation also authorized MARAD programs but did not specify authorization levels. The cost estimates for the bills reflect those differences.

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