



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 1, 2017

**S. 1872
TSA Modernization Act**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on October 4, 2017*

SUMMARY

S. 1872 would authorize gross appropriations totaling \$24 billion over the 2018-2020 period for activities of the Transportation Security Administration (TSA), which is responsible for the security of all modes of public transportation in the United States. Assuming appropriation of the authorized amounts as well as collections of certain fees that would offset a portion of the agency's costs, CBO estimates that implementing S. 1872 would, on net, cost \$16.2 billion over the 2018-2022 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. 1872 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1872 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. 1872 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2018- 2022
	2018	2019	2020	2021	2022	
INCREASES OR DECREASES (-) IN SPENDING SUBJECT TO APPROPRIATION						
Gross TSA Spending						
Authorization Level	7,957	7,996	8,035	0	0	23,988
Estimated Outlays	5,968	7,588	7,864	2,006	401	23,827
Aviation Security Fees						
Estimated Authorization Level	-2,470	-2,550	-2,630	0	0	-7,650
Estimated Outlays	-2,470	-2,550	-2,630	0	0	-7,650
Total Changes						
Estimated Authorization Level	5,487	5,446	5,405	0	0	16,338
Estimated Outlays	3,498	5,038	5,234	2,006	401	16,177

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1872 will be enacted early in fiscal year 2018 and that authorized amounts will be provided near the start of each year.

S. 1872 would authorize gross appropriations totaling nearly \$8 billion in 2018 and \$24 billion over the 2018-2022 period for certain activities of the TSA. (By comparison, on an annualized basis, TSA received about \$7 billion for those activities in 2018 under the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017.) That three-year total includes:

- \$23.5 billion for TSA’s operating and maintenance expenses, including salaries and benefits for most of the agency’s workforce;
- \$276 million for technologies and activities related to monitoring “exit lanes” used by passengers to exit secure areas of airports; and
- \$165 million to reimburse costs incurred by public entities to deploy additional law enforcement officers at airports.

On the basis of historical spending patterns for TSA programs, CBO estimates that gross outlays under S. 1872 would total nearly \$6 billion in 2018 and \$24 billion over the 2018-2022 period.

Because TSA is authorized to collect fees to offset a portion of gross funding provided for aviation security programs, CBO also estimates that implementing S. 1872 would increase offsetting collections. Specifically, under current law, commercial airlines charge passengers a fee of \$5.60 per one-way trip in air transportation that originates at an airport in the U.S., subject to an overall cap of \$11.20 per round trip; those fees are remitted to the federal government. Based on an analysis of information from TSA and other federal agencies about anticipated volume of commercial airline passengers and travel patterns, CBO estimates that such fees would total nearly \$7.7 billion over the 2018-2022 period, thus reducing the net appropriations that would be necessary to implement the legislation. Accordingly, CBO estimates that S. 1872 would, on net, authorize appropriations totaling \$16.3 billion over the 2018-2022 period and that resulting net outlays would total \$16.2 billion.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1872 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

ESTIMATED IMPACT ON PUBLIC AND PRIVATE ENTITIES

S. 1872 contains no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Intergovernmental and Private-Sector Impact: Jon Sperl

ESTIMATE APPROVED BY:

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis