



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 7, 2009

**H.R. 23  
Belated Thank You to the Merchant Mariners of  
World War II Act of 2009**

*As ordered reported by the House Committee on Veterans' Affairs  
on May 6, 2009*

**SUMMARY**

H.R. 23 would make certain individuals who served as merchant mariners for the United States during World War II eligible for a monthly payment from the Department of Veterans Affairs (VA) and would require VA to prepare an annual report on the status of the new benefit program. CBO estimates that implementing H.R. 23 would cost \$113 million in 2010 and \$438 million over the 2010-2014 period, assuming appropriation of the authorized amounts. Enacting the bill would not affect direct spending or receipts.

H.R. 23 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 23 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans' benefits and services).

|   | By Fiscal Year, in Millions of Dollars |      |      |      |      | 2010-<br>2014 |
|---|--|------|------|------|------|---------------|
|   | 2010                                   | 2011 | 2012 | 2013 | 2014 |               |
| <b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b> |  |      |      |      |      |               |
| Authorization Level                                 | 120                                    | 108  | 97   | 85   | 75   | 485           |
| Estimated Outlays                                   | 113                                    | 99   | 87   | 75   | 64   | 438           |

For this estimate, CBO assumes that H.R. 23 will be enacted near the beginning of fiscal year 2010 and that the specified amounts will be appropriated near the start of each fiscal year.

## **BASIS OF ESTIMATE**

H.R. 23 would entitle certain individuals who served with the U.S. Merchant Marine during World War II to a monthly benefit of \$1,000, subject to the availability of funds provided for that purpose. To be eligible for the benefit, individuals would need to apply within a year of the bill's enactment and demonstrate that they served as a merchant marine between December 7, 1941, and December 31, 1946, on a vessel that was:

- Operated by the War Shipping Administration or the Office of Defense Transportation;
- Operated in waters other than inland waters, the Great Lakes, and other lakes, bays, and harbors of the United States;
- Under contract or charter to, or property of the government of the United States; and
- Serving the armed forces.

H.R. 23 would establish the Merchant Mariner Equity Compensation Fund. Amounts in the fund would be used to pay the monthly benefit to eligible individuals, on a first-come, first-served basis. The bill would specifically authorize the appropriation for each year as shown in the table.

Based on information from VA on the number of merchant mariners that served during the specified period, their average age, and on mortality rates from the Department of

Defense (DoD), CBO estimates that, in 2010, about 38,000 merchant mariners would have the requisite service to qualify for the benefit. We estimate that one-quarter of them, about 9,500, would apply for the benefit. The amounts authorized in H.R. 23 would allow 10,000 merchant mariners to receive the monthly benefit in 2010. Therefore, CBO estimates that all of the applicants would receive the full benefit in 2010, assuming the authorized amount is appropriated.

Using the DoD mortality rates, CBO estimates that the amounts authorized for 2011 through 2014, if appropriated, would be sufficient to continue providing monthly payments to surviving beneficiaries.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 23 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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