

107th Congress }
2d Session }

SENATE

{ REPORT
{ 107-235

**OVER-THE-ROAD BUS SECURITY GRANT
PROGRAM**

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

on

S. 1739



AUGUST 1, 2002.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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OVER-THE-ROAD BUS SECURITY GRANT PROGRAM

AUGUST 1, 2002.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and
Transportation, submitted the following

R E P O R T

[To accompany S. 1739]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1739) to authorize grants to improve security on over-the-road buses, having considered the same, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE BILL

The purposes of this bill, as reported, are to establish a direct grant program to improve security of over-the-road buses, and to authorize the Secretary of Transportation to conduct a study to develop recommendations for improved security of over-the-road bus operations.

BACKGROUND AND NEEDS

Over-the-road buses, or motorcoaches, operate in both commuter and intercity operations. The motorcoach industry, which includes regularly scheduled point-to-point service and chartered tour operations, carried more than 774 million passengers in the United States in 2000, 28 percent more passengers than carried by domestic commercial airlines and 33 times more passengers than carried by Amtrak. The twelve Class I bus companies, defined by the Bureau of Transportation Statistics as having revenues of at least \$10 million or more annually, carried approximately 33 million passengers in 2000. According to the Bureau of Transportation Statistics, the intercity bus transportation industry serves 5000 locations nationwide, many of which are rural communities that might not have other modes of intercity transportation available to the public.

Intercity bus transportation poses difficult logistical security problems. Of the 4,000 bus companies, 90 percent operate fewer than 25 buses.

There are worrisome precedents for security breaches on buses. For example, in the Middle East, terrorists have used buses to cause mass casualties in a number of crowded cities. In the United States, Greyhound drivers and passengers were the targets of at least 4 serious assaults last year, one killing 7 passengers and another injuring 33 passengers, and at least 3 other serious security breaches. No other major United States transportation mode had as many incidents of passenger attacks during that period. These incidents occurred in states throughout the country, including Tennessee, Arizona, Utah, Oklahoma, Pennsylvania, and Vermont.

In one incident on October 3, 2001, in Manchester, Tennessee, a passenger aboard a Greyhound bus, on its way to Orlando, Florida, attacked the driver and reportedly slit the driver's throat. The assailant then grabbed the wheel and ultimately caused the bus to flip over. Six people died, including the assailant, and more than 30 suffered injuries. Remarkably, the driver survived, but the attack highlighted the lack of protection for bus drivers.

In response to the incidents, Greyhound took a number of steps to enhance security. These steps include: random screening of passengers and baggage (through "wanding") at selected terminals; requiring ticket identification; providing cell phones to drivers as an interim emergency communications system; increasing security personnel in terminals; giving the driver the right to limit access to the first row of seats; and establishing information and communications systems to aid and coordinate with law enforcement.

The bus industry believes that Federal support is needed to help improve bus security. These additional security measures include: wanding in all terminals; full implementation of a ticket identification system; a nationwide emergency communications system providing location, audio, and silent monitoring; enhanced driver compartment security; increased security training; development and maintenance of information and communication systems with law enforcement; and other measures to make buses, terminals, and garages more secure.

On October 10, 2001, Senator Breaux chaired a hearing on truck and bus security and hazardous materials licensing. During the hearing, many issues were raised about the security of intercity buses, including driver, terminal, and equipment security. Many of the issues raised during the hearing are addressed in S. 1739.

At the hearing, American Bus Association President Peter Pantuso outlined several areas where Federal support could help improve bus security, including development of a communication system for the driver to contact local law enforcement, installation of cameras on buses, and creation of a database of passengers and their itineraries.

By virtue of the markets they serve, and competition with other modes of passenger transportation, bus passenger service operates with thin margins of profitability, and the bus industry claims that it may be impossible for it to pay for heightened scrutiny and security measures at current profit levels. In some years, profits for the entire industry have not reached \$40 million. According to the United Motorcoach Association's testimony submitted for the Octo-

ber 2001 hearing, pleasure and business travel, which accounts for nearly 90 percent of that industry's annual revenue, is 40 percent below what it was in previous years. Many of these bus companies are small businesses with less than 10 coaches. After the October 3, 2001, incident near Manchester, TN, American Bus Association companies reported up to 80 percent cancellation rates, and Greyhound's passenger sales dropped 15 percent and remain below last year's levels.

In H.R. 4775, the Supplemental Appropriation Act for Further Recovery From and Response to Terrorist Attacks on the United States for fiscal year 2002, \$15 million was included for bus security measures intended to address the same type of security-related issues as identified in S. 1739.

LEGISLATIVE HISTORY

Senator Cleland introduced S. 1739 on November 28, 2001. The bill is cosponsored by Senators Breaux and Wyden. On April 18, 2002, the Committee on Commerce, Science, and Transportation ordered S. 1739 to be reported favorably. Although the bill was reported without amendment, the Committee agreed in principle to several technical amendments which update the fiscal years in which appropriations would be authorized, update an incorrect reference on page 5, line 20, require the Secretary of Transportation to make a preliminary report to Congress concerning the progress of developing security recommendations for the over-the-road bus industry, and recognize the coordination with port security measures where a port is the owner of a bus terminal. It is anticipated that when this bill is considered by the full Senate, an amendment will be offered to reflect these agreements.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 13, 2002.

Hon. ERNEST F. HOLLINGS,
*Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1739, a bill to authorize grants to improve security on over-the-road buses.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Rachel Milberg.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 1739—A bill to authorize grants to improve security on over-the-road buses

Summary: S. 1739 would authorize the Secretary of Transportation to provide grants to operators of over-the-road buses for improving the security of their buses and bus terminals. For these grants, the bill would authorize the appropriation of \$400 million over the 2003–2004 period.

CBO estimates that implementing S. 1739 would cost \$390 million over the 2003–2007 period, and an additional \$10 million after 2007. S. 1739 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 1739 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. 1739 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation). For this estimate, CBO assumes that S. 1739 will be enacted in fiscal year 2002, and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the Federal Transit Administration and historical spending patterns of similar programs.

	By Fiscal Year, in Millions of Dollars—				
	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	200	200	0	0	0
Estimated Outlays	10	80	130	110	60

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 1739 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Rachel Milberg; impact on state, local, and tribal governments: Susan Sieg Tompkins; impact on the private sector: Jean Talarico.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

S. 1739 would establish a direct grant program. The legislation would have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, or the paperwork required from such individuals and businesses.

NUMBER OF PERSONS COVERED

S. 1739 is intended to improve the security of over-the-road bus transportation. The number of persons covered is anticipated to include bus riders and bus employees, as well as all drivers and pas-

sengers who share the road. In addition, security personnel, security consulting services, and industries that manufacture security equipment would be impacted.

ECONOMIC IMPACT

S. 1739 is intended to improve security of over-the-road buses. It should not have a detrimental impact on the economy of the United States.

PRIVACY

S. 1739 would have an impact on privacy to some extent, consistent with other transportation security programs, including personal privacy of passengers traveling on motor coaches operated by carriers receiving grants under the grant program established in section 1.

PAPERWORK

S. 1739 does not create any new reporting requirements, and any impact on paperwork would be dependent on application procedures established by the Secretary of Transportation.

SECTION-BY-SECTION ANALYSIS

Section 1. Emergency over-the-road bus security assistance

This section would establish an over-the-road bus security grant program to be administered by the Secretary of Transportation. It would authorize \$200 million each year for fiscal years 2002 and 2003 to provide grants for system-wide security upgrades and improvements, such as establishing emergency communications systems linked to law enforcement and emergency response personnel. The section provides grants for driver protection; passenger screening and upgrading or installing systems to collect or exchange information on passengers and drivers with governmental agencies; training employees on emergency response techniques; hiring security personnel; obtaining passenger manifests; installing surveillance equipment; and conducting employee background checks.

The Secretary may not make a grant until the applicant has submitted, and the Secretary has approved, a plan for the project. Davis-Bacon wage standards would apply to all projects.

Section 2. Bus security recommendations

This section would authorize the use of between \$3 and \$5 million of the grant funds by the Secretary to provide for the development and dissemination of best practices, a review of security and safety measures already taken, and the usefulness of certain technology and isolating the driver from passengers. The Department of Transportation would be directed to consult with appropriate groups, including industry, labor, public safety, law enforcement, and the National Academy of Sciences, to develop, implement and carry out the grant program.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as

reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

§ 31109. Over-the-road bus security grant program

(a) *IN GENERAL.*—

(1) *FUND ESTABLISHED.*—*The Secretary of the Treasury shall establish an Over-the-road Bus Security Fund account in the Treasury into which the Secretary of the Transportation shall deposit amounts appropriated under paragraph (2).*

(2) *AUTHORIZATION OF APPROPRIATIONS.*—*There are authorized to be appropriated to the Secretary of Transportation \$200,000,000 for fiscal year 2002, and \$200,000,000 for fiscal year 2003, for deposit into the account established under paragraph (1). Amounts deposited into the account shall remain available until expended.*

(b) *GRANT PROGRAM.*—*Without further appropriation, amounts in the Over-the-road Bus Security Fund account are available to the Secretary of Transportation for direct grants to persons engaged in the business of providing over-the-road bus transportation for system-wide security upgrades, including the reimbursement of extraordinary security-related costs determined by the Secretary to have been incurred by such operators since September 11, 2001, including—*

(1) *establishing an emergency communications and notification system linked to law enforcement or emergency response personnel;*

(2) *protecting or isolating the driver;*

(3) *implementing and operating passenger screening programs at terminals and on over-the-road buses (as defined in section 3038(a)(3) of the Transportation Equity Act for the 21st Century (49 U.S.C. 5310 nt));*

(4) *acquiring, upgrading, installing, or operating equipment, software, or accessorial services for collection, storage, or exchange of passenger and driver information through ticketing systems or otherwise, and information links with government agencies;*

(5) *constructing or modifying terminals, garages, facilities, or over-the-road buses to assure their security;*

(6) *training employees in recognizing and responding to terrorist threats, evacuation procedures, passenger screening procedures, and baggage inspection;*

(7) *hiring and training security officers;*

(8) *installing cameras and video surveillance equipment on over-the-road buses and at terminals, garages and over-the-road bus facilities; and*

(9) *creating a program for employee identification and background investigation.*

(c) *APPLICATIONS.*—*To receive a grant under subsection (b), an applicant shall submit an application, at such time, in such manner, in such form, and containing such information, as the Secretary may require, and a plan that meets the requirements of subsection (c) for the project to be funded, in whole or in part, by the grant.*

(d) *PLAN REQUIRED.*—*The Secretary may not make a grant under subsection (b) for a system-wide security upgrade project until the*

applicant has submitted to the Secretary, and the Secretary has approved, a plan for the project, and the applicant has submitted to the Secretary such additional information as the Secretary may require in order to ensure full accountability for the obligation or expenditure of grant amounts.

(e) FEDERAL STANDARDS.—Section 5333 of this title applies to any work financed with a grant under this section to the same extent as if it were financed with a grant under chapter 53 of this title. The application of that section does not affect or discharge any other responsibility of the Secretary under this title with respect to work financed by a grant under this section.

