



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 22, 2008

H.R. 5264

A bill to extend the Andean Trade Preference Act

As ordered reported by the House Committee on Ways and Means on February 14, 2008

H.R. 5264 would extend the provisions of the Andean Trade Preference Act (ATPA). The Congressional Budget Office (CBO) estimates that the bill would reduce revenues from customs duties by \$82 million in 2008 and \$37 million in 2009, totaling \$119 million over the 2008-2009 period.

Under the bill, the ATPA trade preferences, which are scheduled to expire on February 29, 2008, would be extended for 10 months, through December 31, 2008. First enacted in 1991 and later expanded in 2002, the ATPA provides reduced-duty or duty-free access to certain U.S. imports from Bolivia, Colombia, Ecuador, and Peru. (A free trade agreement with Peru, which is currently being implemented, would eventually supersede that country's ATPA preferences). According to the United States Trade Representative, about 60 percent of total U.S. imports from the beneficiary countries were entered under the ATPA program, and those imports consisted primarily of petroleum-based products and apparel.

CBO has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO contact for this estimate is Zachary Epstein. This estimate was approved by G. Thomas Woodward, Assistant Director for Tax Analysis.