



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 27, 2012

Enforcing Orders and Reducing Customs Evasion Act of 2012

As ordered reported by the Senate Committee on Finance on July 18, 2012

SUMMARY

The Enforcing Orders and Reducing Customs Evasion Act of 2012 would establish specific procedures for Customs and Border Protection (CBP), a part of the Department of Homeland Security, to follow when investigating allegations of evasion of antidumping or countervailing duties, and it would increase the ability of CBP to obtain information and collect such duties.

CBO estimates that costs for additional CBP personnel to implement the bill would reach \$1 million annually, assuming the availability of appropriated funds, beginning in fiscal year 2014. CBO estimates that enacting this bill would increase revenues by insignificant amounts in 2013, by \$4 million over the 2013-2017 period, and by \$13 million over the 2013-2022 period. CBO also estimates that the bill would have no effect on direct spending. Pay-as-you-go procedures apply because enacting the legislation would affect revenues.

The bill 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 the Enforcing Orders and Reducing Customs Evasion Act of 2012 is shown in the following table. The costs of this legislation fall primarily within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	*	1	1	1	1	4
Estimated Outlays	*	1	1	1	1	4
CHANGES IN REVENUES						
Estimated Revenues ^a	*	*	1	1	1	4

Note: * indicates amounts that are between -\$500,000 and \$500,000.
Components may not sum to totals because of rounding.

a. Enacting the bill would increase revenues by \$13 million over the 2012-2022 period (see Statutory Pay-As-You-Go table on page 3 for annual effects through 2022).

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that the bill will be enacted early in fiscal year 2013.

Spending Subject to Appropriation

Based on information from CBP, we expect the agency to hire up to 10 additional employees to carry out the bill's provisions. CBO estimates that costs for the additional personnel would reach \$1 million annually from appropriated funds, beginning in fiscal year 2014, and total \$4 million over the 2013-2017 period.

Revenues

The bill would establish a set of procedures for CBP to follow when investigating allegations of antidumping and countervailing duties. Those procedures would include requiring expedited initiation of investigations and suspending the final assessment of tariffs on the goods alleged to be evading duties until the investigation is completed. The bill also would give CBP broader authority to collect information from both the party alleging evasion and the importer of the goods for making the preliminary and final determinations of evasion. The bill would permit CBP to take into account the cooperation of those parties in the investigation when assessing the evidence and reaching the final determination. Based on information provided by CBP, CBO estimates that enacting this bill would increase revenues by insignificant amounts in 2013, by \$4 million over the 2013-2017 period, and by \$13 million over the 2013-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects of the Enforcing Orders and Reducing Customs Evasion Act of 2012, as ordered reported by the Senate Committee on Finance on July 18, 2012

	By Fiscal Year, in Millions of Dollars												2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	0	0	-1	-1	-1	-1	-2	-2	-2	-2	-4	-13	

ESTIMATED INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill 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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