



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 25, 2012

H.R. 5865

American Manufacturing Competitiveness Act of 2012

*As ordered reported by the House Committee on Energy and Commerce
on June 20, 2012*

SUMMARY

H.R. 5865 would establish the American Manufacturing Competitiveness Board within the Department of Commerce to advise the President on issues affecting manufacturing in the United States. The board would be required to perform a comprehensive analysis of the nation's manufacturing sector and, using results from the analysis, develop a strategy to improve the competitiveness of domestic manufacturing efforts. Results from the analysis and strategy would be available to the President to comply with the bill's requirement to publish a strategy in 2014 and again in 2018 to promote growth in the nation's manufacturing sector.

Based on information from the Department of Commerce, CBO estimates that implementing H.R. 5865 would cost about \$15 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Enacting H.R. 5865 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5865 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 H.R. 5865 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	4	3	2	2	5	16
Estimated Outlays	3	3	3	2	4	15

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of 2012, that the necessary amounts will be appropriated each year, and that spending will follow historical patterns for similar activities.

H.R. 5865 would establish the 15-member American Manufacturing Competitiveness Board to analyze the nation’s manufacturing sector, and using results from the analysis, set short- and long-term goals for improving the sector’s competitiveness. The board would be appointed at the beginning of the next presidential term, terminate after completing its first report in 2014, and would be re-established at the beginning of the following presidential term in 2017 to update the report’s findings.

In preparing the analysis, the board would be required to study, among other things:

- The current environment for manufacturing, including government policies—at the international, federal, state, tribal, and local levels—that affect the sector;
- Forecasts, both short- and long-term, for domestic and international trends in manufacturing;
- Actions by federal agencies that affect manufacturing; and
- Factors that affect the growth and stability of the sector such as workforce skills; trade, energy, and monetary policies; research and development; and protections for intellectual property.

Using results from the analysis, the board would be required to develop a strategy to improve the competitiveness of the nation’s manufacturing sector. The bill would require the strategy to include recommendations to eliminate or consolidate government programs, improve interaction between the government and the manufacturing sector, and amend any regulations that put the industry at a competitive disadvantage in international markets.

The final report also would be required to include a plan to implement the strategy, including an estimate of the cost to implement it as well as recommendations for ways to cover those costs.

Based on information from the Department of Commerce, CBO estimates that implementing H.R. 5865 would cost \$15 million over the 2013-2017 period, assuming appropriation of the necessary amounts. This amount includes staff support for board activities, data gathering and analysis, and report preparation. Though the board would be terminated shortly after submitting its final report in 2014, CBO expects that efforts would continue within the Department of Commerce to collect data and information that would be available to the board when it would be re-established in 2017.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5865 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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