



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 21, 2008

H.R. 6028 **Merida Initiative to Combat Illicit Narcotics and Reduce** **Organized Crime Authorization Act of 2008**

*As ordered reported by the House Committee on Foreign Affairs
on May 14, 2008*

SUMMARY

H.R. 6028 would authorize assistance for Mexico and Central American countries to control drug trafficking and organized crime and direct the Department of Justice to expand its efforts to prevent trafficking of firearms across the U.S.-Mexico border. It would authorize the appropriation of \$1.6 billion over the 2008-2010 period for those purposes. CBO estimates that implementing H.R. 6028 would cost \$1.5 billion over the 2008-2013 period, assuming appropriation of the authorized amounts. Enacting the bill would not affect direct spending or revenues.

H.R. 6028 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. 6028 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs) and 750 (administration of justice).

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 6028 will be enacted in June 2008, that the specified amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar programs. (Funding for 2008 would have to be provided in a

supplemental appropriations act; most of the outlays from any such 2008 funding would occur in later years.)

| | By Fiscal Year, in Millions of Dollars | | | | | | 2008-2013 |
|---|--|------|------|------|------|------|-----------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | | | |
| Assistance for Mexico | | | | | | | |
| Authorization Level | 470 | 490 | 150 | 0 | 0 | 0 | 1,110 |
| Estimated Outlays | 58 | 371 | 381 | 180 | 49 | 11 | 1,050 |
| Assistance for Central American Countries | | | | | | | |
| Authorization Level | 100 | 130 | 175 | 0 | 0 | 0 | 405 |
| Estimated Outlays | 10 | 85 | 117 | 107 | 38 | 14 | 371 |
| Department of Justice Programs | | | | | | | |
| Authorization Level | 25 | 25 | 25 | 0 | 0 | 0 | 74 |
| Estimated Outlays | 2 | 37 | 30 | 5 | 0 | 0 | 74 |
| Total Changes | | | | | | | |
| Authorization Level | 595 | 645 | 350 | 0 | 0 | 0 | 1,589 |
| Estimated Outlays | 70 | 493 | 528 | 292 | 87 | 25 | 1,495 |

Note: Numbers may not sum to totals because of rounding.

Assistance for Mexico

Title I would authorize the State Department to provide assistance to train and equip the Mexican armed forces and law enforcement agencies to control drug trafficking and organized crime, and to strengthen that nation’s judicial system. The bill would authorize the appropriation of \$1.1 billion for Mexico over the 2008-2010 period. CBO estimates that implementing the provisions of title I would cost about \$1 billion over the 2008-2013 period, assuming appropriation of the specified amounts.

Assistance for Central American Countries

Title II would authorize the appropriation of \$405 million over the 2008-2010 period to provide assistance to several countries in Central America: Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama. Those funds would be used for purposes similar to those specified for Mexico in title I of the bill. CBO estimates that implementing the provisions of title II would cost about \$370 million over the 2008-2013 period, assuming appropriation of the specified amounts.

Department of Justice Programs

Title IV would authorize the appropriation of \$24.5 million for each of the fiscal years 2008 through 2010 for the Department of Justice to combat the trafficking of firearms across the U.S.-Mexico border. CBO estimates that implementing those provisions would cost \$74 million over the 2008-2013 period, assuming appropriation of the specified amounts.

Other Provisions

Section 501 would require the Secretary of State to designate a coordinator to oversee the programs authorized under H.R. 6028. In addition, the bill would require several reports on the implementation of the bill's provisions. CBO estimates that implementing those requirements would cost less than \$500,000 over the 2009-2013 period, assuming the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 6028 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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