



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 11, 2008

**S. 2688**

**Commercial Seafood Consumer Protection Act**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on April 24, 2008*

**SUMMARY**

S. 2688 would require the Departments of Commerce and Health and Human Services to strengthen federal efforts related to ensuring the safety of commercially distributed seafood.

Based on information from the Department of Commerce, CBO estimates that implementing S. 2688 would cost \$66 million over the 2009-2013 period and \$9 million after 2013, assuming appropriation of the amounts authorized by the bill. Enacting S. 2688 would not affect direct spending or revenues.

S. 2688 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

By directing the Secretary of Health and Human Services to enter into a cooperative agreement with the Secretary of Commerce and modifying the Food and Drug Administration's (FDA's) authority to regulate seafood safety, the bill could impose new mandates on the private sector as defined in UMRA. However, CBO cannot determine whether the aggregate direct cost of complying with those mandates, if any, would exceed the annual threshold established in UMRA (\$136 million in 2008, adjusted annually for inflation).

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2688 is shown in the following table. The costs of this legislation fall within the budget functions 300 (natural resources and environment) and 550 (health).

	By Fiscal Year, in Millions of Dollars					2009-2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Authorization Level	15	15	15	15	15	75
Estimated Outlays	9	12	15	15	15	66

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009 and that the authorized amounts will be appropriated near the start of each year. Estimates of outlays are based on historical spending patterns for similar activities.

S. 2688 would require the Departments of Commerce and Health and Human Services to strengthen federal efforts related to ensuring the safety of commercially distributed seafood. Based on information from the Department of Commerce, CBO expects that funds authorized to be appropriated by the bill would be used to increase the number of domestic and international laboratories that inspect seafood. Funds also would be used to send inspection teams to countries that export seafood to the United States to assess practices used in the farming of seafood for export. Assuming appropriation of the authorized amounts (\$15 million annually over the 2009-2013 period), CBO estimates that implementing S. 2688 would cost \$66 million over that period and \$9 million after 2013.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 2688 contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

Section 2 of the bill would direct the Secretary of Health and Human Services to enter into a cooperative agreement with the Secretary of Commerce to address and coordinate various regulations in order to improve seafood safety. Efforts to carry out the agreement could lead to more stringent requirements on importers, exporters, sellers, and distributors of seafood. For example, section 2 would direct the agencies to include a provision in their agreement

to establish a domestic tracking system for seafood shipments. A tracking system could require recipients and distributors of shipments to provide additional information. Because the provisions of the agreement depend on the future actions of FDA and the National Oceanic and Atmospheric Administration, CBO cannot determine whether they would result in new private-sector mandates. Further, section 5 of the bill would modify FDA's current authority to regulate seafood safety by authorizing the agency to use additional procedures for handling seafood imports. The extent to which these provisions would result in new private-sector mandates is also unclear.

CBO has no basis for predicting what new procedures the agencies would set under the bill, if any, or whether those procedures would impose additional requirements on the seafood industry. Therefore, CBO cannot determine whether the aggregate direct cost of complying with new private-sector mandates that may arise as a result of the bill would exceed the annual threshold established in UMRA (\$136 million in 2008, adjusted annually for inflation).

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