



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 14, 2001

H.R. 2602 **An act to extend the Export Administration Act** **until November 20, 2001**

As passed by the House of Representatives on July 30, 2001

H.R. 2602 would change the expiration date of the Export Administration Act of 1979 (EAA) from August 20, 2001, to November 20, 2001. The EAA is administered by the Bureau of Export Administration (BXA) within the Department of Commerce.

CBO estimates that enacting H.R. 2602 would increase revenues by negligible amounts in fiscal years 2003 and 2004 and that some of the additional revenues would be spent, without further appropriation, in 2004 and 2005. Therefore, pay-as-you-go procedures would apply, but CBO estimates that the budgetary impact would not be significant. H.R. 2602 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

When the EAA last expired in 1994, the President continued to enforce the EAA's controls on the export of certain products pursuant to his authority under the International Emergency Economic Powers Act (IEEPA). Based on information from BXA, CBO expects that, with the pending expiration of the EAA on August 20, the Administration once again is likely to invoke its authority under IEEPA to continue enforcing export controls.

The civil and criminal fines for violations of export controls are higher under the EAA than under IEEPA. Therefore, enacting H.R. 2602 would increase the amount of fines collected for violations occurring during the three-month period between August 20 and November 20. On average, about three years elapse between the initial investigation of violations and the time when penalties are imposed. Based on information from the BXA, CBO estimates that governmental receipts (revenues) from penalties would increase by less than \$500,000 a year in 2003 and 2004 if this legislation were enacted.

Some of the estimated increase in governmental receipts would result from the higher criminal penalties in this act. Collections of criminal fines are deposited in the Crime Victims Fund and are available to be spent without further appropriation in the following year. Based on the historical trends of these fines, CBO estimates that direct spending would increase by an insignificant amount in 2004 and 2005.

The CBO staff contacts for this estimate are Ken Johnson and Erin Whitaker. This estimate was approved by Pete H. Fontaine, Deputy Assistant Director for Budget Analysis.