



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 14, 2002

H.R. 3005 **Bipartisan Trade Promotion Authority Act**

As ordered reported by the Senate Committee on Finance on December 18, 2001

SUMMARY

H.R. 3005 would restore the President's authority to enter into multilateral and bilateral trade agreements with Congressional approval or rejection of, but not amendment to, those agreements. Enacting this legislation would not affect revenues, so pay-as-you-go procedures would not apply.

CBO has determined that H.R. 3005 contains no new private-sector or intergovernmental 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

CBO estimates that enacting H.R. 3005 would have no budgetary impact.

BASIS OF ESTIMATE

Before their expiration on June 1, 1993, sections 1102 and 1103 of the Omnibus Trade and Competitiveness Act of 1988 granted the President the authority to enter into multilateral and bilateral trade agreements. The President could reduce certain tariffs by proclamation within specified bounds prescribed by the law. For provisions subject to Congressional approval, the Congress could not amend implementing legislation once it was introduced. Furthermore, as long as the President met statutory requirements concerning Congressional consultation during the negotiation process, Congress was required to act on the legislation following a strict timetable. Public Law 103-40 temporarily extended these provisions through April 16, 1994, for any trade agreement resulting from the Uruguay Round negotiations taking place under the General Agreement on Tariffs and Trade.

H.R. 3005 would restore the President's authority to propose trade agreements under an expedited procedure for Congressional approval. The act would have no direct effect on revenues, because future trade agreements would require implementing legislation.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3005 contains no new private-sector or intergovernmental mandates as defined in UMRA and would not impose any costs on state, tribal, or local governments.

PREVIOUS ESTIMATE

On October 11, 2001, CBO transmitted an estimate of H.R. 3005 as ordered reported by the House Committee on Ways and Means. The earlier version of H.R. 3005 was similar to the version ordered reported by the Senate Committee on Finance, and CBO estimated that it also would have no direct effect on revenues.

ESTIMATE PREPARED BY:

Revenues: Erin Whitaker

Impact on State, Local, and Tribal Governments: Elyse Goldman

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

G. Thomas Woodward

Assistant Director for Tax Analysis