



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 13, 2001

H.R. 3189 **Export Extension Act of 2001**

*As ordered reported by the House Committee on International Relations
on November 1, 2001*

SUMMARY

H.R. 3189 would change the expiration date of the Export Administration Act of 1979 (EAA) from August 20, 2001, to April 20, 2002. The EAA is administered by the Bureau of Export Administration (BXA) within the Department of Commerce.

CBO estimates that enacting H.R. 3189 would increase revenues by \$1 million a year for fiscal years 2004 and 2005, and that a small amount of those additional revenues would be spent, without further appropriation, in 2005 and 2006. Because the bill would affect both revenues and direct spending, pay-as-you-go procedures would apply.

H.R. 3189 contains no intergovernmental or private-sector 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

When the EAA expired in August, the President continued to enforce the EAA's controls on certain exports pursuant to his authority under the International Emergency Economic Powers Act (IEEPA). The civil and criminal fines for violations of export controls are higher under the EAA than under IEEPA. Therefore, enacting H.R. 3189 would increase the amount of fines collected for violations occurring between the date of enactment and April 20, 2002. For this estimate, CBO assumes that the bill will be enacted by the end of calendar 2001. 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 implementing H.R. 3189 would increase governmental receipts (revenues) from penalties by \$1 million a year in 2004 and 2005.

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 less than \$500,000 in 2004 and 2005.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act establishes pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting H.R. 3189 would increase revenues by \$1 million a year in 2004 and 2005, as shown in the following table, and would increase direct spending by less than \$500,000 a year in 2005 and 2006.

	By Fiscal Year, in Millions of Dollars										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Changes in outlays											Not applicable
Changes in receipts		0	0	1	1	0	0	0	0	0	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3189 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On August 14, CBO transmitted a cost estimate for H.R. 2602, an act to extend the Export Administration Act until November 20, 2001, which was passed by the House of Representatives on July 30. CBO estimated that implementing the bill would increase revenues by less than \$500,000 in 2003 and 2004 and increase direct spending by insignificant amounts in 2004 and 2005. The estimated magnitude and timing of these effects are different than for H.R. 3189 because CBO assumed H.R. 2602 would apply to fewer cases and would have an earlier enactment date.

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