



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 12, 2007

H.R. 1441 **Stop Arming Iran Act**

As ordered reported by the House Committee on Foreign Affairs on March 27, 2007

H.R. 1441 would prohibit the Department of Defense (DoD) from selling any parts for the F-14 fighter aircraft, except to museums or other organizations located in the United States that work to preserve F-14 fighter aircraft for historical purposes. DoD has temporarily suspended all sales of parts for the F-14 fighter aircraft and this bill would make that suspension permanent, thereby eliminating some potential receipts from sales of military equipment. Because DoD can spend the proceeds from any such sales without future appropriation action, the net impact on direct spending would be negligible. Based on information from DoD, CBO estimates that sales of parts for the F-14 fighter aircraft in 2006 were less than \$100,000.

Accordingly, CBO estimates that enacting H.R. 1441 would not have a significant effect on direct spending. Enacting the bill would not affect revenues. H.R. 1441 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.

H.R. 1441 contains a private-sector mandate, as defined by UMRA, because it would prohibit the sale of any parts of the F-14 aircraft by the Department of Defense. It also would prohibit the U.S. government from issuing an export license for sale of F-14 aircraft parts. Those prohibitions would be a mandate upon U.S. persons or entities that purchased F-14 parts legally from the Department of Defense with intention to resell the aircraft.

The cost of the mandate to the private sector, if any, would be the amount certain U.S. persons and entities have already paid to purchase the F-14 parts from DoD added to the forgone profit attributable to the prohibition of resale of the F-14 parts. From April 2006 to December 2006, F-14 parts were sold for a total of \$38,000. As a result, CBO estimates that the cost, if any, to comply with the mandate would be minimal and well below the annual threshold established in UMRA (\$131 million in 2007, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sam Papenfuss (for federal costs) and Victoria Liu (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.