



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 9, 2012

H.R. 1840
**A bill to improve consideration by the Commodity Futures Trading
 Commission of the costs and benefits of its regulations and orders**
As ordered reported by the House Committee on Agriculture on January 25, 2012

SUMMARY

H.R. 1840 would direct the Commodity Futures Trading Commission (CFTC) to assess both costs and benefits of a proposed regulation, adopting such regulation only if the agency determines that the estimated benefits justify the estimated costs. The bill also would broaden the items to consider in developing costs and benefits including, among other things, alternatives to direct regulation.

Based on information from the CFTC, CBO estimates that implementing H.R. 1840 would cost \$27 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Enacting H.R. 1840 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1840 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

The estimated budgetary impact of H.R. 1840 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	3	6	6	6	7	28
Estimated Outlays	3	6	6	6	6	27

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted before the end of 2012, the necessary amounts will be appropriated each year, and spending will follow historical trends for the affected activities.

H.R. 1840 would expand the analysis that the CFTC must perform in developing new regulations or issuing orders. Under current law, the agency undertakes an analysis of the estimated costs and benefits that would result from a proposed regulation; H.R. 1840 would require the agency to consider additional factors in this analysis and restrict the agency to adopting regulations only when the analysis determines that the benefits justify the costs.

Based on information from the CFTC, CBO estimates that the agency would need an additional 25 positions to handle the increased workload under the bill. CBO estimates that implementing H.R. 1840 would cost \$27 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1840 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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