



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 1, 2016

H.R. 2017
Common Sense Nutrition Disclosure Act of 2015
*As ordered reported by the House Committee on Energy and Commerce
on November 18, 2015*

SUMMARY

H.R. 2017 would amend the Federal Food, Drug, and Cosmetics Act to revise the information certain restaurants and retail food establishments must disclose about nutrition to the consumer. CBO estimates that implementing H.R. 2017 would cost \$9 million over the 2016-2021 period, assuming appropriation of the necessary amounts. Enacting H.R. 2017 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 2017 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 2017 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2017 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars						2016-2021
	2016	2017	2018	2019	2020	2021	2021

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	0	2	2	1	1	1	9
Estimated Outlays	0	2	2	1	1	1	9

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

H.R. 2017 would modify the labeling requirements for nutrition information displayed by restaurants and other retail food establishments. The Food and Drug Administration (FDA) issued a final rule on such labeling in December 2014, and subsequently several guidances to implement those requirements. The legislation would require the Secretary of Health and Human Services to issue new proposed regulations within a year to modify the current requirements. Some of those modifications would include:

- Providing options for displaying the number of calories for menu items, such as displaying the number of servings and calories per serving for each item;
- Defining a reasonable basis to allow for acceptable variations, such as serving size and inadvertent human error in formulation or preparation of the menu item; and
- Allowing restaurants or similar retail food establishments where the majority of orders are placed by customers who are off-premises at the time to post nutrition information on a remote-access menu, such as the Internet, as the sole method of disclosure.

CBO estimates those modifications would take several years to fully implement because they would significantly change the current regulation. CBO expects FDA would have to develop and publish a new regulation and additional guidance to comply with modifications. Based on information provided by FDA, historical spending on similar activities, and assuming appropriation of the necessary amounts, CBO estimates that those activities would cost FDA \$9 million over the 2016-2021 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS: CBO estimates that enacting H.R. 2017 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2017 contains no intergovernmental or private-sector mandates as defined in UMRA and would not impose costs on state, local, or tribal governments. Section 2(b) of the bill would remove the ability of states to petition the FDA to enforce their own nutrition labeling requirements on food sold in some chain restaurants or similar retail food

establishments. The ability of states to enforce such requirements without FDA approval is already preempted by federal law. Because existing law provides FDA with broad authority over state nutrition laws, the removal of the option for states to petition FDA for the ability to enforce their own laws is not considered a new mandate.

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