



October 27, 2015

Honorable Tom Price, M.D.
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Re: The Budgetary Impact of H.R. 3611

Dear Mr. Chairman:

As you requested, and pursuant to section 3105 of S. Con. Res 11, the Concurrent Resolution on the Budget for Fiscal Year 2016, the Congressional Budget Office is providing two estimates of the costs of reauthorizing the Export-Import Bank through 2019 under H.R. 3611, the Export-Import Bank Reform and Reauthorization Act of 2015. One estimate is based on procedures currently used in the federal budget as prescribed by the Federal Credit Reform Act of 1990 (FCRA). The other estimate is based on the market value of the federal government's obligations, often termed a fair-value estimate.

Enacting H.R. 3611 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 3611 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

Estimate on a FCRA Basis

On a FCRA basis, CBO estimates that reauthorizing the Export-Import Bank beginning on December 1, 2015, would reduce spending subject to appropriation by \$2.3 billion over the 2016-2020 period, assuming annual appropriation action consistent with such a reauthorization. That estimate reflects the bank's recent experience; it comprises the budgetary effect of new loans and guarantees issued by the bank (a reduction in discretionary spending totaling \$2.6 billion over the 2016-2020 period) and additional administrative costs associated with those new commitments (totaling \$0.3 billion over that same period).

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Estimate on a Fair-Value Basis

On a fair-value basis, CBO estimates that reauthorizing the bank starting on December 1, 2015, would cost \$0.3 billion over the 2016-2020 period, assuming annual appropriation action consistent with the reauthorization. That estimate comprises the additional administrative costs that would be associated with the bank's credit activities during that period. CBO estimates that, on a fair-value basis, the budgetary effect of new loans and guarantees issued by the bank over the 2016-2020 period would be close to zero.

Previous CBO Estimate

On July 24, 2015, CBO transmitted a cost estimate for Senate amendment number 2327, the Export-Import Bank Reform and Reauthorization Act of 2015. H.R. 3611 is similar to that Senate amendment and differences in CBO's estimates of the costs of implementing the two pieces of legislation reflect differences in the assumed enactment date.

If you wish further details about this analysis, we will be pleased to provide them. The CBO staff contacts are Sunita D'Monte (for the FCRA estimate) and Mitchell Remy (for the fair-value estimate).

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is fluid and cursive, with the first name "Keith" and last name "Hall" clearly distinguishable.

Keith Hall
Director

cc: Honorable Chris Van Hollen
Ranking Member

Honorable Stephen Fincher