



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2016

H.R. 5092 **Reinforcing American-Made Products Act of 2016**

As ordered reported by the House Committee on Energy and Commerce on July 13, 2016

H.R. 5092 would preempt state laws that establish standards under which a “Made in America” or “Made in the U.S.A.” label may be affixed to a product. The bill would reiterate that the Federal Trade Commission (FTC) is solely responsible for developing and enforcing those standards.

Based on information from the FTC, CBO estimates that there would be no significant cost to implement H.R. 5092 as it would not affect the workload or enforcement activities of the agency.

Enacting H.R. 5092 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5092 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by preempting state laws related to certain product labelling. At least one state, California, currently has a state law setting its own standard for such labels. The costs, if any, to the state of complying with the mandate would not exceed the annual threshold established in UMRA (\$77 million in 2016, as adjusted annually for inflation.)

H.R. 5092 contains no private-sector mandates as defined in UMRA.

On January 15, 2016, CBO transmitted a cost estimate for S. 1518, the Reinforcing American-Made Products Act of 2015, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on November 18, 2015. The two pieces of legislation are similar and CBO’s estimate of their budgetary effects are the same.

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Rachel Austin (for intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.