



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

January 30, 2014

**H.R. 3470  
Naval Vessel Transfer and Arms Export Control  
Amendments Act of 2013**

*As ordered reported by the House Committee on Foreign Affairs  
on November 20, 2013*

H.R. 3470 would authorize the President to sell four naval vessels to Taiwan. CBO estimates that those sales would increase offsetting receipts (thus, reducing direct spending) by \$40 million over the 2014-2024 period. Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues, and implementing it would have insignificant effects on spending subject to appropriation.

Section 101 would authorize the sale of naval vessels. That authority would expire three years after the bill is enacted. Based on information from the Navy, CBO estimates that all four vessels would be sold over that period, for about \$10 million each. Those funds would be deposited in the Treasury as offsetting receipts. The bill also specifies vessels that may be transferred to certain nations by grant. Under the bill, any additional costs related to authorized sales or transfers, including costs for refurbishing the vessels, would be paid by the recipient countries. Such amounts are typically paid directly to the private shipyard that does the work.

H.R. 3470 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On December 20, 2013, CBO published an estimate for S. 1683, the Naval Vessel Transfer Act of 2013, as reported by the Senate Committee on Foreign Relations on November 14, 2013. Section 102 of that bill is similar to section 101 of H.R. 3470, and we estimate that both provisions would have the same budgetary effect.

The CBO staff contact for this estimate is Raymond J. Hall. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.