



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 13, 2015

### **H.R. 2088** **United States Grain Standards Act Reauthorization Act of 2015**

*As ordered reported by the House Committee on Agriculture  
on April 30, 2015*

#### **SUMMARY**

H.R. 2088 would amend and extend, through 2020, the U.S. Department of Agriculture's (USDA's) authority to carry out activities under the United States Grain Standards Act. The bill would authorize annual appropriations of amounts necessary for the Grain Inspection, Packers, and Stockyards Administration (GIPSA, an agency of USDA) to carry out activities under that act and extend GIPSA's authority to collect and spend fees for certain grain inspection and weighing services. H.R. 2088 also would allow the Secretary of Agriculture to authorize state agencies and private entities to perform export inspection and weighing services and would specify procedures whereby such activities would continue during disaster conditions or other disruptions in services.

CBO estimates that implementing H.R. 2088 would cost \$106 million over the 2016-2020 period, assuming appropriation of the necessary amounts. Enacting the bill would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that such effects would not be significant in any year. The bill would not affect revenues.

H.R. 2088 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

H.R. 2088 would impose a private-sector mandate, as defined in UMRA, on grain exporters by extending GIPSA's authority to collect fees for grain inspection and weighing services. Based on information from GIPSA, CBO estimates that the cost of complying with the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2088 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By Fiscal Year, in Millions of Dollars					2016-2020
	2016	2017	2018	2019	2020	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	20	21	21	22	22	106
Estimated Outlays	20	21	21	22	22	106

### BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2088 will be enacted by October 1, 2015, and that the necessary amounts will be appropriated in each of the next five years.

The legislation would reauthorize, through 2020, annual appropriations of amounts necessary for GIPSA to establish standards and monitor grain inspection and weighing services provided on a fee-for-service basis under the United States Grain Standards Act. (Under current law, such authorities will expire on September 30, 2015). For 2015, GIPSA received \$20 million for those activities. Assuming that GIPSA's costs under H.R. 2088 would remain in line with current funding levels and adjusting for anticipated inflation, CBO estimates that fully funding GIPSA's activities would require appropriations totaling \$20 million in 2016 and \$106 million over the 2016-2020 period.

The bill also would extend GIPSA's authority to collect and spend fees for inspection and weighing services conducted at various export elevators at export port locations. GIPSA establishes such fees to recover the costs of providing those services, and to maintain a three- to six-month operating reserve to finance accrued liabilities. CBO estimates that offsetting receipts from such fees will total \$47 million in 2015 and \$55 million in 2016. Because fee collections would be adjusted at least annually to offset the cost of inspection and weighing services, CBO estimates that the legislation would have no significant net effect on direct spending in any year.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2088 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would extend the USDA's authority to collect fees from state agencies to which it has delegated certain responsibilities under the Grain Standards Act, but the agencies pay those fees as a condition of participating in a voluntary federal program.

## **ESTIMATED IMPACT TO THE PRIVATE SECTOR**

H.R. 2088 would impose a private-sector mandate, as defined in UMRA, on grain exporters by extending GIPSA's authority to collect fees for grain inspection and weighing services. Inspection and weighing services are mandatory for most grain exported from the United States. Fees for inspection and weighing services are collected by GIPSA, State agencies, or private entities approved by the Secretary of Agriculture. Based on information from GIPSA, CBO estimates that the fees paid by grain exporters for mandatory inspection and weighing services would amount to \$50 million to \$60 million annually. Consequently, the cost of complying with the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

### **ESTIMATE PREPARED BY:**

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