



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 6, 2014

S. 1468
Revitalize American Manufacturing and Innovation Act of 2014

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 9, 2014*

SUMMARY

S. 1468 would establish the Network for Manufacturing Innovation Program (NMIP) within the National Institute of Standards and Technology (NIST). Under the program, NIST would award grants to establish a network of centers of innovation to improve the competitiveness of domestic manufacturers. The bill also would require several studies by the Government Accountability Office (GAO) and other agencies as well as the development of a strategic plan for advanced manufacturing.

CBO estimates that implementing S. 1468 would cost \$265 million over the 2015-2019 period, assuming appropriation of the necessary amounts. Enacting S. 1468 could affect direct spending; therefore, pay-as-you-go procedures apply. CBO estimates, however, that such effects would be insignificant. Enacting S. 1468 would not affect revenues.

S. 1468 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 S. 1468 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
Network for Manufacturing Innovation						
Authorization Level	300	0	0	0	0	300
Estimated Outlays	30	60	75	60	30	255
Reports						
Estimated Authorization Level	8	0	1	2	*	11
Estimated Outlays	5	3	0	1	1	10
Total Changes						
Estimated Authorization Level	308	0	1	2	*	311
Estimated Outlays	35	63	75	61	31	265

Note: * = less than \$500,000.

a. CBO estimates that enacting S. 1468 also would have an insignificant effect on direct spending.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1468 will be enacted near the end of 2014, that the necessary amounts will be appropriated near the beginning of each fiscal year, and that spending will follow historical patterns for similar activities.

Spending Subject to Appropriation

Network for Manufacturing Innovation. S. 1468 would authorize the appropriation of \$300 million to establish a network of centers to support research and development, education, training, and other efforts to improve the capacity of domestic manufacturers to use advanced technology. Under the bill, NIST would be required to develop a strategic plan for the program and a system to award and oversee grants to eligible applicants, and to report to the Congress annually on program performance.

Based on information from NIST, CBO expects that the agency would create four institutes with the funds made available under the bill. Those new institutes would join four existing institutes that were created with funds from the Departments of Defense and Energy and four other institutes currently under development. CBO estimates that implementing the NMIP would cost \$255 million over the 2015-2019 period, assuming appropriation of the specified amount.

Reports. The bill also would require NIST to develop a national strategic plan for advanced manufacturing that would be updated every four years. Further, S. 1468 would require several reports to the Congress by GAO and other agencies including an assessment of NMIP operations every two years, an evaluation of the competitiveness of the United States in international trade, and a survey measuring the economic effect of Chinese holdings of rare earth elements (metals that tend to be found together in geologic deposits but often not in concentrations high enough to be extracted economically).

Based on information from NIST and the International Trade Administration (ITA), CBO estimates that preparing the strategic plan and the additional reports would cost about \$10 million over the 2015-2019 period, assuming appropriation of the necessary amounts. Of that amount, CBO estimates that NIST would spend about \$4 million to develop and update the strategic plan for advanced manufacturing, and the ITA would spend \$5 million to complete the survey and the report on China's holdings of rare earth elements.

Direct Spending

S. 1468 would authorize NIST to accept funds from private entities to carry out the NMIP and would make those amounts available to the agency without further appropriation. Based on information from NIST, CBO estimates that this provision would have an insignificant effect on net direct spending because amounts collected would be small, less than \$500,000 per year. Any additional collections subsequently would be spent by the agency.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting S. 1468 would affect direct spending because the bill would authorize NIST to accept and spend funds from private entities without further appropriation action, but those effects would be insignificant. Enacting S. 1468 would not affect revenues.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1468 contains no intergovernmental or private-sector mandates as defined in UMRA.

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