



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 12, 1997

S. 343

**Extension of Nondiscriminatory Treatment (Most-Favored-Nation
Treatment) to the Products of Mongolia**

As ordered reported by the Senate Committee on Finance on September 11, 1997

SUMMARY

S. 343 would authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Mongolia. CBO estimates that enacting the trade preferences in the bill would have no budgetary effect on governmental receipts, over fiscal years 1997 through 2007. Because enacting S. 343 could affect receipts, pay-as-you-go procedures would apply to the bill.

S. 343 contains no new private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), and would not impose any costs on state, local, or tribal governments.

BASIS OF ESTIMATE

Under Title IV of the Trade Act of 1974, MFN status may not be conferred on a country with a non-market economy if that country maintains restrictive emigration policies. The President may waive this prohibition on an annual basis if he certifies that granting MFN status would promote freedom of emigration in that country. Under current law, Mongolia is subject to the requirements of Title IV. However, Mongolia has received MFN treatment since 1991 on a conditional basis.

S. 343 would grant the President the authority to stop applying Title IV of the Trade Act of 1974 to Mongolia, thereby allowing Mongolia to receive MFN status on a permanent basis. The CBO baseline revenue projections assume that MFN status for Mongolia will be extended on an annual basis. Therefore, enacting S. 343 would have no budgetary impact when measured relative to the CBO baseline. CBO assumes that the effective date for this bill will be October 1, 1997.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no new private-sector or intergovernmental mandates as defined in UMRA, and would not impose any costs on state, tribal, or local governments.

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