CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 30, 2015

S. 995
Bipartisan Congressional Trade Priorities and Accountability Act of 2015

As ordered reported by the Senate Committee on Finance on April 22, 2015

The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 would restore the President's authority to enter into multilateral and bilateral trade agreements. The authority would be extended through July 1, 2018, with the possibility to extend for another three years at the President’s request. Pay-as-you-go procedures apply because enacting the legislation could affect revenues. Enacting the bill would not affect direct spending.

The bill would authorize two different methods for the United States to enter into multilateral and bilateral trade agreements. First, the bill would reinstate a rarely used authority that would allow the President to reduce certain duty rates within specified limitations without further Congressional action. While this authority could result in a reduction in revenue, CBO has no basis for determining when or if the President would lower duty rates or the extent of such changes. Therefore, CBO cannot estimate the effect of enacting this provision.

Second, the bill would restore the President's authority to propose trade agreements under an expedited procedure for Congressional approval, often referred to as “fast track authority.” For such trade agreements, the Congress would not be able to amend the implementing legislation once it was introduced. Furthermore, as long as the President met statutory requirements concerning Congressional consultation during the negotiation process, the Congress would be required to act on the legislation following a strict timetable. CBO estimates that enacting this authority would not affect revenues or direct spending because future trade agreements would require the Congress to pass implementing legislation.

In addition, implementing the legislation would affect spending subject to appropriation. Based on information from the U.S. International Trade Commission, CBO estimates that implementing the reporting requirements under the bill would cost less than $500,000 over the 2015-2020 period, assuming the availability of appropriated amounts.

The bill also would amend current law regarding oversight and consultations during trade agreements. Specifically, the bill would require a number of consultations by the U.S. Trade Representative with congressional advisory committees regarding trade talks. According to the U.S. Trade Representative, this provision would generally codify the agency's current policy and practice. Thus, CBO estimates implementing these requirements would cost less than $500,000 over the 2015-2020 period.

On April 29, 2015, CBO transmitted a cost estimate for H.R. 1890, the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, as ordered reported by the House Committee on Ways and Means on April 23, 2015. This bill contains similar language to that of H.R. 1890 and CBO's estimates of the budgetary effects of the two pieces of legislation are the same.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.