



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 24, 2018

H.R. 5040 **Export Control Reform Act of 2018**

As ordered reported by the House Committee on Foreign Affairs on April 17, 2018

Since the Export Administration Act expired in 2001, the President has used the International Emergency Economic Powers Act to enforce the Department of Commerce's regulations concerning the control of exports. H.R. 5040 would establish a permanent statutory basis for the control of dual-use exports licensed by the Department of Commerce. Dual-use items are commodities, software, and technologies that have civilian and military applications.

Using information from the Bureau of Industry and Security (BIS), CBO estimates that implementing the bill would have an insignificant effect on spending subject to appropriation over the 2019-2023 period. Any costs largely would result from requiring the President to establish an interagency process to identify and control emerging critical technologies that are not on any United States or multilateral control list but that nonetheless could impose a national security threat. BIS received an appropriation of \$114 million for fiscal year 2018.

Enacting H.R. 5040 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5040 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5040 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jacob Fabian. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.