CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 15, 2018

H.R. 535
Taiwan Travel Act

As ordered reported by the Senate Committee on Foreign Relations on February 7, 2018

H.R. 535 would recommend that the federal government encourage and expand bilateral travel by officials of the United States and Taiwan and allow the Taipei Economic and Cultural Representative Office (TECRO) to conduct activities in the United States that U.S. and Taiwanese officials could participate in.

The United States terminated diplomatic relations with Taiwan in 1979. U.S. government relations with that island are considered "unofficial" and conducted through the American Institute in Taiwan (AIT), a private nonprofit corporation, and TECRO, its Taiwanese counterpart. Interactions between high-level U.S. and Taiwanese officials are constrained and federal employees traveling to Taiwan on official business must use their personal passports instead of official or diplomatic passports.

Implementing H.R. 535 could alter government-to-government contacts between the United States and Taiwan, but CBO has no basis for estimating whether such changes would result in any significant effects on spending subject to appropriation. To the extent that contacts become more permissible under the act, the federal government could incur additional costs for travel but also could reduce its reliance and spending on AIT. (In 2017, AIT received an appropriation of $32 million.)

Enacting H.R. 535 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 535 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 535 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On October 27, 2017, CBO transmitted a cost estimate for H.R. 535 as ordered reported by the House Committee on Foreign Affairs on October 12, 2017. The two versions of the legislation are similar and CBO's estimates of the cost of implementing them are the same.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was approved by Leo Lex, Deputy Assistant Director for Budget Analysis.