

H.R. 555, Securing America’s Vaccines for Emergencies Act of 2023

As ordered reported by the House Committee on Financial Services on February 28, 2023

| By Fiscal Year, Millions of Dollars | 2023 | 2023-2028 | 2023-2033 |
|--|------|---|--------------------|
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | 0 | 17 | not estimated |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Statutory pay-as-you-go procedures apply? | No |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Mandate Effects | |
| | | Contains intergovernmental mandate? | Excluded from UMRA |
| | | Contains private-sector mandate? | Excluded from UMRA |

The Defense Production Act of 1950 (DPA) authorizes the federal government to require businesses to prioritize performance and delivery on its contracts and orders. To support the domestic industrial base for products and services that are essential to national defense, the act also authorizes the government to take the following actions:

- Provide direct loans;
- Guarantee loans made by private institutions; and
- Purchase or make commitments to purchase products and services.

Section 3 of H.R. 555 would allow the Administration to make payments to entities that produce at least one critical technology, component, product, or raw material for the security of supply chains or supply chain activities if it determines that doing so is critical to meeting national defense requirements. The Administration would be required to issue regulations regarding which supply chains and supply chain activities would be eligible for those payments.

The DPA authorizes the appropriation of \$133 million annually for the purposes of the act. On the basis of information about other federal programs that aim to improve supply chains and supply chain security, CBO anticipates that adding that payment authority would increase that level of support to the defense industrial base by 5 percent. CBO estimates that

See also

[CBO’s Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



implementing section 3 would cost \$17 million over the 2023-2028 period; such spending would be subject to the appropriation of the estimated amounts.

Section 2 of the bill would require the Administration to create a strategy on the use of these authorities to ensure the supply of medical materials and to report to the Congress regularly through 2027 on its implementation of the strategy. On the basis of information about similar strategies and reports, CBO estimates that satisfying those requirements would cost less than \$500,000 over the 2023-2028 period; such spending would be subject to the availability of appropriated funds. Section 2 also would codify current practices on the inclusion of medical materials under the DPA. CBO estimates that implementing those provisions would not affect the federal budget.

The costs of the legislation, detailed in Table 1, fall within budget function 050 (national defense) and 550 (health). For this estimate, CBO assumes that H.R. 555 will be enacted before the end of fiscal year 2023 and that payments would begin in 2024.

Table 1.
Estimated Increases in Spending Subject to Appropriation Under H.R. 555

| | By Fiscal Year, Millions of Dollars | | | | | | 2023-2028 |
|-------------------------|-------------------------------------|------|------|------|------|------|-----------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Estimated Authorization | 0 | 7 | 7 | 7 | 7 | 7 | 35 |
| Estimated Outlays | 0 | 1 | 2 | 3 | 5 | 6 | 17 |

It is uncertain which entities would be eligible to receive payments to enhance supply-chain security under regulations issued pursuant to section 3. It is also unclear how often the Administration would use that authority to make such payments. Thus, spending subject to appropriation under H.R. 555 could be higher or lower than CBO estimates.

CBO has not reviewed H.R. 555 for intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for national security. CBO has determined that the provisions of the Defense Production Act of 1950, as amended by the bill, would fall under that exclusion.

The CBO staff contacts for this estimate are Caroline Dorminey (for Federal Costs) and Brandon Lever (for Mandates). The estimate was reviewed by Chad Chirico, Director of Budget Analysis.

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