

**S. 79, Interagency Patent Coordination and Improvement Act of 2023**

As reported by the Senate Committee on the Judiciary on March 1, 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)	*	90	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
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

S. 79 would establish the Interagency Task Force on Patents to facilitate communication between the Food and Drug Administration (FDA) and the Patent and Trademark Office (PTO) regarding patents for human drugs and biological products. Through the task force, the FDA and PTO would share information about how each agency reviews applications related to drugs and biologics, any new approvals of drugs and biologics, and scientific trends and developments. The task force also would establish a procedure for the FDA to provide information about drugs and biologics to PTO's patent examiners and PTO would be required to help the FDA list patents associated with approved drugs and biologics. Finally, within four years of enactment, PTO would need to report to the Congress about the activities of the task force.

The costs of the legislation, detailed in Table 1, fall within budget functions 370 (commerce and housing credit) and 550 (health).

See also

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



**Table 1.  
Estimated Increases in Spending Subject to Appropriation Under S. 79**

	By Fiscal Year, Millions of Dollars						2023-2028
	2023	2024	2025	2026	2027	2028	
Estimated Authorization	*	17	17	18	19	19	90
Estimated Outlays	*	17	17	18	19	19	90

\* = between zero and \$500,000.

Using information from the FDA, CBO expects that it would need about 50 employees, at an average cost of \$325,000 in 2024, to carry out the activities under the bill, most of whom would respond to requests from PTO. Accounting for anticipated inflation, CBO estimates that implementing the bill would cost the FDA \$90 million over the 2023-2028 period; any spending would be subject to the availability of appropriated funds. The FDA’s costs would depend largely on the volume and complexity of requests from PTO and could be higher or lower than estimated.

Using information from PTO, CBO expects that it would need three employees to establish and administer the task force and five patent examiners after 2025 to work with the FDA at an average cost of \$200,000 per employee in 2024. Accounting for anticipated inflation, CBO estimates that implementing the bill would cost PTO \$7 million over the 2023-2028 period. However, PTO is authorized to collect fees in amounts sufficient to offset its annual appropriation, and CBO expects that the agency would adjust fee collections to match any increase in operating costs. Assuming appropriation actions consistent with that authority, CBO estimates that the net increase in discretionary spending for PTO would be negligible.

If PTO increases fees to offset the costs of implementing provisions of the bill, S. 79 would increase the cost of an existing mandate on private and intergovernmental entities required to pay those fees. Using information from PTO, CBO estimates that the incremental cost of the mandate would be small and would not exceed the annual thresholds established in the Unfunded Mandates Reform Act for intergovernmental and private-sector mandates (\$99 million and \$198 million in 2023, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Ezra Cohn (for the FDA), David Hughes (for PTO), and Andrew Laughlin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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