

## H.R. 4715, Bilateral Resilience in Industry Trade Security Act

As ordered reported by the House Committee on Foreign Affairs on July 26, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
<b>Mandate Effects</b>			
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 4715 would authorize the President to exempt from certain licensing and certification requirements transfers and exports of defense articles to the United Kingdom and between Australia, the United Kingdom, and the United States. H.R. 4715 also would increase the criminal penalty for violating rules governing defense exports and imports. Lastly, the bill would require the Department of State to report to the Congress on transfers to the United Kingdom that would no longer require certifications under the bill.

The department's Directorate of Defense Trade Controls collects registration fees from manufacturers, exporters, importers, and brokers of defense-related items. The licensing exemptions under the bill would reduce the amount of registration fees collected. Those fees are recorded in the budget as offsetting receipts (or reductions in direct spending) and can be spent without further appropriation on licensing, compliance, and enforcement activities. Using information from the department and after accounting for the reductions in both the fees received and the subsequent spending of those fees, CBO estimates that over the 2023-2033 period the net increase in direct spending would be insignificant.

H.R. 4715 would increase the maximum criminal penalty for violations of the Arms Export Control Act from \$1 million to \$5 million. Criminal fines are recorded in the budget as revenues, deposited into the Crime Victims Fund, and later spent without further

See also

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



appropriation. Using information from the Department of Justice and the United States Sentencing Commission, CBO estimates that enacting H.R. 4715 would increase collections of criminal forfeitures, and therefore revenues and direct spending, by an insignificant amount over the 2023-2033 period. In the past ten years, there were no instances in which a violator faced the current maximum penalty allowed for Arms Export Control Act violations, and all fines collected over that period totaled less than \$300,000.

CBO estimates that the small net increase in direct spending under the bill would exceed the increase in revenues, and thus, enacting H.R. 4715 would increase net deficits by an insignificant amount over the 2023-2033 period.

Using information about the costs of similar requirements, CBO estimates that providing the reports required under H.R. 4715 would cost less than \$500,000 over the 2023-2028 period. Any spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was reviewed by Emily Stern, Senior Adviser for Budget Analysis.

A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel  
Director, Congressional Budget Office