



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 12, 2017

S. 118 **Reinforcing American-Made Products Act of 2017**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on May 18, 2017*

S. 118 would preempt state laws that conflict with existing federal laws that establish standards under which a “Made in America” or “Made in the U.S.A.” label may be affixed to a product. The bill would reiterate that the Federal Trade Commission (FTC) is solely responsible for developing and enforcing those standards.

Based on information from the FTC, CBO estimates that there would be no significant cost to implement S. 118 as it would not affect the workload or enforcement activities of the agency.

Enacting S. 118 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 118 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 118 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by preempting state laws related to labelling items as “Made in the U.S.A.” or “Made in America.” At least one state, California, currently has a state law setting its own standard for such labels. The costs, if any, to the state of complying with the mandate would not exceed the annual threshold established in UMRA (\$78 million in 2017, as adjusted annually for inflation).

S. 118 contains no private-sector mandates as defined in UMRA.

The CBO staff contact for this estimate is Stephen Rabent (for federal costs) and Rachel Austin (for intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.