



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 27, 2012

### **H.R. 6156** **Russia and Moldova Jackson-Vanik Repeal Act of 2012**

*As ordered reported by the House Committee on Ways and Means on July 26, 2012*

CBO estimates that implementing H.R. 6156 would cost \$1 million over the 2013-2017 period, assuming appropriation of the necessary amounts. The bill also would affect direct spending and revenues; therefore, pay-as-you-go procedures apply, but CBO estimates that any such effects would not be significant in any year. H.R. 6156 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 6156 would remove Moldova and the Russian Federation from the list of countries specified under title IV of the Trade Act of 1974 (the Jackson-Vanik amendment), thereby granting them permanent normal trade relations (NTR) with the United States. Those countries have had NTR status with the United States for about 20 years, and CBO's baseline reflects the expectation that they will maintain that status. Establishing permanent NTR with Moldova and the Russian Federation could potentially increase tariff collections by lifting quotas on certain imported goods. CBO estimates, however, that any such effects would be insignificant over the 2013-2022 period.

Based on information from the U.S. Trade Representative (USTR), CBO estimates that implementing the provisions of H.R. 6156 would cost a total of \$1 million over the 2013-2017 period, assuming the availability of appropriated funds. That amount includes affected agencies' costs to hire additional staff, complete required reports, hold public hearings, and establish and maintain a secure phone line and Web site related to activities under the bill.

CBO expects that enacting H.R. 6156 would decrease revenues from visa fees and increase revenues from civil and criminal penalties imposed on those who violate the regulations. CBO estimates that the provisions would affect few people and that revenues deposited in the Treasury would not be significant in any year.

The legislation also would increase direct spending from criminal penalties, which are deposited in the Crime Victims Fund and spent in subsequent years. However, CBO expects that any net effects associated with collecting and spending such penalties would not be significant in any year.

On July 24, 2012, CBO transmitted a cost estimate for S. 3406, the Russia and Moldova Jackson-Vanick and Magnitsky Rule of Law Accountability Act of 2012, as ordered reported by the Senate Committee on Finance on July 19, 2012. The two bills are similar except that H.R. 6156 does not contain provisions regarding human rights violations. Because the human rights provisions are not included in H.R. 6156, our estimate of costs under that bill is lower.

The CBO staff contacts for this estimate are Sunita D'Monte, Matthew Pickford, and Susan Willie. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.