



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 30, 2002

S. 2395

Anticounterfeiting Amendments of 2002

As reported by the Senate Committee on the Judiciary on July 18, 2002

S. 2395 would establish a new crime related to counterfeiting the authentication features on copyrighted computer programs and audiovisual recordings. Authentication features are holograms, watermarks, and other devices that companies place on products to signify that they are not illegal copies. Violators could be jailed or subject to criminal penalties.

CBO estimates that implementing S. 2395 would have no significant impact on the federal budget. The bill would increase direct spending and receipts by less than \$500,000 a year; therefore, pay-as-you-go procedures would apply.

S. 2395 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Based on information from the Department of Justice, CBO expects that implementing S. 2395 would not substantially increase the number of cases the agency prosecutes. Therefore, CBO expects that any increase in federal costs for law enforcement, court proceedings, or prison operations would not be significant. Any such additional costs would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under S. 2395 could be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Collections of such fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. CBO expects that any additional receipts and direct spending would be less than \$500,000 each year.

The CBO staff contact for this estimate is Ken Johnson. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.