



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

December 1, 2014

**S. 1683**  
**Naval Vessel Transfer Act of 2013**

*As provided by the Senate Committee on Foreign Relations  
on November 21, 2014*

S. 1683 would authorize the President to sell up to four naval vessels to Taiwan. CBO estimates that those sales would increase offsetting receipts (thus, reducing direct spending) by \$40 million over the 2015-2024 period. In addition, the bill contains several reporting requirements that CBO estimates would cost less than \$500,000 each year, assuming the availability of appropriated funds. Section 201 would require the President to notify the Congress 30 days before shipments of certain defense articles if requested to do so by the Chairman or Ranking Member of certain Congressional committees. The Department of State has indicated that it already provides requested notifications on an ad-hoc basis; CBO estimates that providing similar notifications under the bill would have insignificant discretionary costs. (However, if the department would be required to provide notifications more broadly and routinely, costs could increase.) Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

S. 1683 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.

On December 20, 2013, CBO published an estimate for S. 1683, the Naval Vessel Transfer Act of 2013, as reported by the Senate Committee on Foreign Relations on November 14, 2013. Section 102 of that bill would authorize the sale of up to four naval vessels and is similar to section 102 of this version of the bill. We estimate that those provisions would have the same budgetary effect. Other provisions of that version of the bill would increase discretionary spending by about \$2 million; we estimate that similar but revised provisions in this version of the bill would have insignificant budgetary effects.

The CBO staff contacts for this estimate are Raymond J. Hall (for naval vessel sales) and Sunita D'Monte (for all other provisions). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.