



December 10, 2015

Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office (CBO) has reviewed the conference report for H.R. 644, the Trade Facilitation and Trade Enforcement Act of 2015 (House Report 114-376). CBO and the staff of the Joint Committee on Taxation estimate that enacting the conference agreement would reduce direct spending by \$98 million and increase revenues by \$18 million over the 2016-2025 period. Taken together, those changes would decrease budget deficits by \$116 million over the ten-year period. Please see the enclosed table for details.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2026.

Implementing the conference agreement would affect spending that is subject to appropriation, however CBO has not completed an estimate of that spending.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Ann Futrell, Mark Grabowicz, and Susan Willie.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Hall'.

Keith Hall

Enclosure

cc: Honorable Sander M. Levin
Ranking Member

Identical letter sent to the Honorable Orrin G. Hatch

ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES FOR THE CONFERENCE REPORT TO ACCOMPANY H.R. 644, THE TRADE FACILITATION AND TRADE ENFORCEMENT ACT OF 2015 (HOUSE REPORT 114-376)

	By Fiscal Year, in Millions of Dollars										2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
CHANGES IN DIRECT SPENDING												
Include interest on certain distributions under CDSOA												
Estimated Budget Authority	20	21	22	23	25	27	21	17	13	13	111	202
Estimated Outlays	20	21	22	23	25	27	21	17	13	13	111	202
Extend authority to collect merchandise processing fees and increase the rate												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	-300	0	-300
Estimated Outlays	0	0	0	0	0	0	0	0	0	-300	0	-300
Total Changes												
Estimated Budget Authority	20	21	22	23	25	27	21	17	13	-287	111	-98
Estimated Outlays	20	21	22	23	25	27	21	17	13	-287	111	-98
CHANGES IN REVENUES												
Amend drawback procedures	*	*	-2	-3	-3	-3	-3	-3	-3	-4	-8	-24
Increase de minimis rule to \$800	-12	-13	-14	-14	-15	-16	-16	-17	-18	-19	-68	-153
Provide trade preferences for Nepal	*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
Increase penalty for failure to file a tax return	5	19	20	21	21	22	22	23	24	25	86	202
Total Changes	-7	6	4	3	2	3	2	2	2	1	7	18
NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES												
Impact on Deficit	27	15	18	20	23	24	19	15	11	-288	104	-116

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Notes: Amounts may not sum to totals because of rounding.

CDSOA = Continued Dumping and Subsidy Offset Act; * = between \$0 and -\$500,000.

For direct spending, a positive number indicates an increase in outlays; for revenues, a positive number indicates an increase in revenues.
