

**Preliminary Estimate of Senate Amendment Number 2514 to H.R. 5515, the National Defense Authorization Act for 2019, as amended by Senate Amendment Number 2282**

(by fiscal year, in millions of dollars)

06/12/2018

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019- 2023	2019- 2028
<b>INCREASES IN DIRECT SPENDING</b>													
Estimated Budget Authority	0	1,000	0	0	0	0	0	0	0	0	0	1,000	1,000
Estimated Outlays	0	1,000	0	0	0	0	0	0	0	0	0	1,000	1,000
<b>DECREASES IN REVENUES</b>													
Estimated Revenues	0	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-100	-200
<b>INCREASES IN DEFICITS</b>													
Estimated Changes	0	1,020	20	20	20	20	20	20	20	20	20	1,100	1,200

**Notes:**

The amendment would reinstate certain penalties imposed under the Bureau of Industry and Security (BIS) Denial Order issued on April 15, 2018, and prohibit executive agencies from acquiring certain telecommunication services and equipment, as well as preventing them from loaning or granting funds to procure such equipment and services. CBO assumes enactment near the end of 2018.

There is considerable uncertainty about what would happen with respect to direct spending and revenues if the amendment were enacted. CBO's best estimate is that payments that would be made prior to enactment by the Chinese telecommunications company ZTE, under current law, would be returned and that the probability of that company making subsequent penalty payments would decrease. The actual effects would depend on how the Administration and the Courts interpret the amendment.

JF

**\*\*\*PRELIMINARY\*\*\***