Congressional Budget Office
Cost Estimate

August 20, 2019

S. 2203, Brand USA Extension Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 24, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	370	665
Revenues	0	580	970
Deficit Effect	0	-210	-305
Spending Subject to Appropriation (Outlays)	0	0	not estimated

Pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

Bill Summary

S. 2203 would extend the authority of the Corporation for Travel Promotion (commonly known as Brand USA) to receive fees from the VISA Waiver Program (VWP) through 2027; under current law, that authority expires after 2020. The bill also would require Brand USA to implement a digital outreach strategy and to report on countries with emerging markets for U.S. tourism. Finally, among other provisions, S. 2203 would increase the VWF base fee from $10 to $17.

Estimated Federal Cost

The estimated budgetary effect of S. 2250 is shown in Table 1. The costs of this legislation fall within budget function 370 (commerce and housing credit).

Basis of Estimate

CBO estimates that enacting S. 2203 would increase direct spending by $665 million, increase revenues by $970 million, and decrease the federal deficit by $305 million over the 2019-2029 period.

Table 1.
Estimated Budgetary Effects of S. 2203

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2024	2019-2029
By Fiscal Year, Millions of Dollars													
Increases in Direct Spending													
Estimated Budget Authority	0	0	95	95	95	95	95	95	95	0	0	380	665
Estimated Outlays	0	0	85	95	95	95	95	95	95	10	0	370	665
Increases in Revenues													
Estimated Revenues	0	110	110	120	120	120	130	130	130	0	0	580	970
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues													
Effect on the Deficit	0	-110	-25	-25	-25	-25	-35	-35	-35	10	0	-210	-305

Under current law, U.S. Customs and Border Protection (CBP) collects VWP fees from certain foreign travelers to the United States. Each year, up to $100 million in such fees must be transferred into the Travel Promotion Fund under current law. That transfer amount is made available to Brand USA for expenditure if the corporation generates non-federal matching amounts. Fee amounts received may be spent without further appropriation. In 2018, Brand USA received and spent $93 million in VWF fees. CBO estimates that under S. 2203, Brand USA would receive and spend about $95 million annually over the 2021-2027 period on travel promotion activities, or $665 million over ten years.

Certain foreign travelers to the United States are charged a VWP base fee of $10; U.S. Customs and Border Protection (CBP) may collect that fee through 2027 under current law. In 2018, CBP collected $61 million in VWP fees. CBO expects that increasing the base fee to $17 under S. 2203 would increase revenues by $970 million over ten years.

The CBO staff contacts for this estimate are David Hughes (federal costs) and Nate Frentz (revenues). The estimate was reviewed by Theresa A. Gullo, Assistant Director for Budget Analysis.