



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 1999

H.R. 1833 **Customs Authorization Act of 1999**

As reported by the Senate Committee on Finance on July 20, 1999

SUMMARY

H.R. 1833 would authorize appropriations for 2000 and 2001 for the U.S. Customs Service, including funds for salaries and expenses, acquisitions, air and marine interdiction, the Automated Commercial Environment (ACE) computer system, and a program to prevent child pornography. In addition, the act would transfer the Tethered Aerostat Radar System (TARS) from the Air Force to the Customs Service and provide funding for operation and maintenance of this system. Finally, this legislation would direct the Customs Service to prepare reports on various personnel and management issues and would establish a new civil penalty relating to improper marking of imported articles.

CBO estimates that appropriation of the authorized amounts would result in additional discretionary spending of about \$5.9 billion over the 2000-2004 period. H.R. 1833 could affect receipts; therefore, pay-as-you-go procedures would apply. However, we estimate that any increase in receipts would be less than \$500,000 a year. The act contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no effect on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For the purposes of this estimate, CBO assumes that the authorized amounts will be appropriated by the start of each fiscal year and that outlays generally will follow historical spending rates for the authorized activities or for similar programs. We expect that funds for Customs Service salaries and expenses would be spent more slowly than the historical rates because the act would provide substantial increases in authorizations relative to the funding levels for 1999. The act would authorize such sums as may be necessary for operation and maintenance of TARS. CBO estimated authorization levels for this program by assuming continued funding at the 1999 level (about \$31 million), adjusted for anticipated inflation.

The estimated budgetary impact of H.R. 1833 is shown in the following table. The costs of this legislation fall within budget function 750 (administration of justice). Without an adjustment for inflation for TARS, projected costs would be \$12 million less over the 2000-2004 period than shown in the table.

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority ^a	2,217	0	0	0	0	0
Estimated Outlays	2,073	297	1	0	0	0
Proposed Changes						
Estimated Authorization Level	0	2,794	3,006	34	35	36
Estimated Outlays	0	2,249	2,881	571	157	35
Spending Under H.R. 1833						
Estimated Authorization Level ^a	2,217	2,794	3,006	34	35	36
Estimated Outlays	2,073	2,546	2,882	571	157	35

a. The 1999 level is the amount appropriated for that year for the salaries and expenses account and the interdiction program of the U.S. Customs Service and for operation and maintenance of TARS.

H.R. 1833 would establish a civil penalty for violations of laws relating to the marking of imported articles. This provision could result in the collection of additional receipts, but we estimate that any such amounts would be less than \$500,000 a year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting H.R. 1833 could affect receipts, but CBO estimates that any such effects would be less than \$500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1833 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no effect on the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On May 24, 1999, CBO transmitted a cost estimate for H.R. 1833, the Trade Agency Authorizations, Drug Free Borders, and Prevention of On-Line Child Pornography Act of 1999, as ordered reported by the House Committee on Ways and Means on May 20, 1999. In addition to authorizing appropriations for the Customs Service for 2000 and 2001 (without funding for the ACE computer system), that legislation would fund the Office of the United States Trade Representative and the International Trade Commission—but not TARS—and would make changes to the current laws relating to overtime and premium pay for Customs officers. CBO estimated that enacting the House version of H.R. 1833 would increase discretionary spending by about \$4.7 billion over the 2000-2004 period, and that it would increase direct spending by less than \$500,000 annually.

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