



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 2, 1999

H.R. 1838

Taiwan Security Enhancement Act

*As ordered reported by the House Committee on International Relations
on October 26, 1999*

H.R. 1838 would emphasize the security relationship between the United States and Taiwan. Specifically, the bill would authorize an increase in the technical staff at the American Institute in Taiwan, and would require the Administration to report on Taiwan's defense needs, its security situation, and the United States' ability to respond to contingencies in the Asia-Pacific region. Also, the bill would require the Administration to enhance the opportunities for training and exchanges of Taiwanese officers at U.S. military schools and academies. CBO estimates that enacting the bill would have no significant budgetary effect.

According to the Department of Defense (DoD), implementing H.R. 1838 would not require any additional staff because DoD has already increased the number of technical staff at the American Institute in Taiwan during the last year. CBO estimates that preparing the required reports would not increase costs significantly, and any additional officer training and exchanges would be paid in full by Taiwan. The funds for training and exchanges would flow through the foreign military sales trust fund—a direct spending account. Because the bill could affect direct spending, pay-as-you-go procedures would apply; however, CBO estimates that the net effect of any increase in collections and outlays would not be significant.

H.R. 1838 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.

The estimate was prepared by Joseph C. Whitehill. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.