

## S. 3558, Prohibiting Foreign Access to American Genetic Information Act of 2024

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on March 6, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	*	*
Revenues	<b>0</b>	<b>0</b>	<b>0</b>
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	*	Statutory pay-as-you-go procedures apply?	Yes
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	*	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 3558 would prohibit federal agencies from awarding contracts, grants, or loans to biotechnology companies owned by foreign adversaries. The ban would immediately apply to four companies: BGI Group, MGI, Complete Genomics, and WuXi AppTec. The bill also would require the Administration to review and modify the list of prohibited companies on an annual basis. S. 3558 would permit federal agencies to waive the ban for a maximum of 545 days on a case-by-case basis.

CBO expects that federal agencies would be able to replace any biotechnology goods or services provided by covered entities with similar substitutes provided by other companies at comparable costs. Thus, implementing the ban could change which companies receive funds from federal agencies, but would not significantly affect total spending, CBO estimates.

On the basis of similar government-wide administrative and reporting efforts, CBO estimates that costs to implement the ban and modify the list of prohibited companies would total less than \$500,000 over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



Enacting the bill could affect direct spending by some federal agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies for administrative activities would be negligible because they can adjust amounts collected to reflect changes in operating costs.

### **Uncertainty**

The budgetary effects could be significantly greater or less than CBO's estimate. Government agencies have contracted with the firms specified in the bill for biotechnology goods and services. Those companies also do business with many private companies that in turn provide goods and services to the government. The price and availability of services from banned and affected companies could change under the bill. CBO expects that federal agencies and secondary companies that contract with banned entities would be able to substitute any biotechnology goods and services provided by covered entities with similar items provided by other companies at comparable prices. However, spending subject to appropriation could differ significantly from the amounts estimated here. If prices for substitutes are higher than the amounts charged by current providers, costs could be greater than estimated. Conversely, if replacements are not available, agencies might forgo procurements and spend less as a result of the ban.

The CBO staff contact for this estimate is Aldo Proserpi. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel

Director, Congressional Budget Office