H.R. 8152, Remote Access Security Act As ordered reported by the House Committee on Foreign Affairs on May 16, 2024									
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024	-2034					
Direct Spending (Outlays)	*	*		*					
Revenues	*	*		*					
Increase or Decrease (-) in the Deficit	*	*		*					
Spending Subject to Appropriation (Outlays)	*	8 not estin		mated					
Increases net direct spending in	∠ ¢0 ⊊ hillion	Statutory pay-as-you-go procedures apply? Yes							
any of the four consecutive 10-year periods beginning in 2035?	< \$2.5 billion	Mandate Effects							
Increases on-budget deficits in any		Contains intergovernmental	No						
of the four consecutive 10-year periods beginning in 2035?	No	Contains private-sector man	Yes, Over Threshold						
* = between -\$500,000 and \$500,000.									

H.R. 8152 would authorize the Bureau of Industry and Security (BIS), an agency of the Department of Commerce, to issue licenses and impose penalties on exporters of technology that could be accessed over a network connection between foreign and U.S. entities, such as a cloud computing service. Under its current regulations, BIS can require licenses or impose penalties for the export, reexport, or in-country transfer of such technology. It is not authorized to take those actions when the technology is remotely accessed by foreign entities.

BIS has proposed rules that would expand export controls to cover cloud-based access to U.S. technology. Using information from BIS about its work on similar export controls, CBO anticipates that the agency would need seven full-time employees to finalize regulations, process license applications, and identify unlicensed exporters. Based on information from BIS, CBO estimates that annual compensation for each of those employees would cost \$240,000 and total \$8 million over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget function 050 (national defense).

Table 1.			
Estimated Budgetary	/ Effects	of H.R	. 8152

	By Fiscal Year, Millions of Dollars						
	2024	2025	2026	2027	2028	2029	2024-2029
	Increases in Spending Subject to Appropriation						
Estimated Authorization	*	1	1	2	2	2	8
Estimated Outlays	*	1	1	2	2	2	8

^{* =} between zero and \$500,000. In addition to the amounts shown here, enacting H.R. 8152 would increase direct spending and revenues by less than \$500,000 over the 2024-2034 period.

CBO estimates that enacting H.R. 8152 would increase the number of people who would be subject to civil or criminal penalties for violating U.S. export laws. Penalties are recorded as revenues and a portion of those penalties can be spent without further appropriation. Because CBO expects that very few people would be subject to penalties, CBO estimates that the bill's enactment would have insignificant effects on both revenues and direct spending.

H.R. 8152 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on exporters by requiring them to obtain an export license from BIS before allowing remote access of technologies subject to export controls, such as superconductor chips, to foreign entities. As a result, entities affected by the bill would be subject to additional costs necessary to comply with BIS regulations on export controls. CBO also expects that those entities would incur losses of income because they would likely be denied access to some foreign markets otherwise available to them under current law. Based on industry data of the size and value of cloud services and superconductor chips that would be affected, CBO estimates that the cost of regulatory compliance and losses in revenue would exceed the threshold established in UMRA for private-sector mandates (\$200 million in 2024, adjusted annually for inflation).

The bill would not impose intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Aldo Prosperi (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

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