Congressional Budget Office
Cost Estimate

July 18, 2024

H.R. 8315, Enhancing National Frameworks for Overseas Restriction of Critical Exports Act

As ordered reported by the House Committee on Foreign Affairs on May 22, 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)	*	41	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	**< $2.5 billion**	Statutory pay-as-you-go procedures apply?	**Yes**
		Mandate Effects	
		Contains intergovernmental mandate?	**No**
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	**No**	Contains private-sector mandate?	**Yes, Cannot Determine Costs**

* = between -$500,000 and $500,000.

H.R. 8315 would authorize the Administration to establish export controls on artificial intelligence (AI) systems that could threaten the national security of the United States. The bill would permit the Bureau of Industry and Security (BIS), an agency of the Department of Commerce, to require licenses for the export of such AI technology and other research activities related to emerging technologies.

Using information from BIS about similar export licenses, CBO anticipates that the agency would need 10 full-time employees to develop new export regulations, process license applications, and identify unlicensed exporters. CBO estimates that staff salary and benefit costs would average about $2 million annually. CBO also expects that BIS would need to contract with private-sector firms to monitor ongoing development of AI technologies and procure technology systems to securely collect proprietary data from AI companies. On the basis of information from BIS, CBO estimates that such contract costs would average about $6 million annually.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

In total, implementing H.R. 8315 would cost $41 million over the 2024-2029 period, CBO estimates. Such spending would be subject to the availability of appropriated funds. CBO expects that outlays will follow historical spending patterns for similar programs. The costs of the legislation, detailed in Table 1, fall within budget function 050 (national defense).

Table 1.
Estimated Budgetary Effects of H.R. 8315

	By Fiscal Year, Millions of Dollars						
	2024	2025	2026	2027	2028	2029	2024-2029
	Increases in Spending Subject to Appropriation						
Estimated Authorization	*	7	8	8	9	10	42
Estimated Outlays	*	6	8	8	9	10	41

* = between zero and $500,000.
In addition to the amounts shown here, enacting H.R. 8315 would increase direct spending and revenues by less than $500,000 over the 2024-2034 period.

CBO estimates that enacting H.R. 8315 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 additional people would be affected, CBO estimates that enacting the bill would have insignificant effects on both revenues and direct spending and would reduce net deficits by less than $500,000.

H.R. 8315 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on exporters by requiring them to obtain an export license from BIS before providing AI technologies and other research activities related to emerging technologies 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 will likely be denied access to some foreign markets otherwise available to them under current law. The cost of the mandate will ultimately depend on the scope of the technologies affected, which has yet to be defined by BIS. Therefore, CBO cannot determine whether the costs 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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