



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 31, 2011

S. 193 **USA PATRIOT Act Sunset Extension Act of 2011**

As reported by the Senate Committee on the Judiciary on March 17, 2011

SUMMARY

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Public Law 107-56), the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458), and the USA PATRIOT Improvement and Reauthorization Act of 2005 (Public Law 109-177) expanded the powers of federal law enforcement and intelligence agencies to investigate and prosecute terrorist acts. S. 193 would extend, until December 31, 2013, certain provisions of those acts that will otherwise expire in 2011. In addition, the bill would require the Department of Justice (DOJ) and certain offices within the intelligence community to prepare additional reports and audits relating to those investigations. Finally, S. 193 would permanently rescind \$5 million from the unobligated balances of DOJ's Assets Forfeiture Fund.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 193 would have discretionary costs of \$9 million over the 2011-2016 period. We also estimate that enacting the legislation would decrease direct spending by \$5 million over the 2011-2013 period (with no impact after 2013). In addition, we estimate that enacting the bill would affect revenues, but such effects would not be significant. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

CBO has determined that the provisions of S. 193 are either excluded from review for mandates under the Unfunded Mandates Reform Act (UMRA) because they are necessary for national security or they contain no intergovernmental or private-sector mandates.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 193 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense) and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars						2011-2016
	2011	2012	2013	2014	2015	2016	
CHANGES IN DIRECT SPENDING							
Budget Authority	-5	0	0	0	0	0	-5
Estimated Outlays	-1	-2	-2	0	0	0	-5
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	1	4	3	*	*	*	9
Estimated Outlays	1	4	3	*	*	*	9

Note: * = less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by July 1, 2011, and that the amounts necessary to implement the bill will be appropriated for each year.

Direct Spending and Revenues

S. 193 would permanently rescind \$5 million from the unobligated balances of the DOJ Assets Forfeiture Fund. CBO estimates that this rescission would reduce direct spending by \$1 million in 2011 and by \$2 million in each of fiscal years 2012 and 2013.

Because those prosecuted and convicted under S. 193 could be subject to civil and criminal fines, the federal government might collect additional fines if the legislation is enacted. Collections of civil fines are recorded in the budget as revenues. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the small number of cases likely to be affected.

Spending Subject to Appropriation

We estimate that implementing the bill would cost about \$9 million over the 2011-2016 period, assuming appropriation of the necessary amounts. S. 193 would require the inspectors general of DOJ and certain offices within the intelligence community, by March 31, 2013, to conduct audits of their agencies' use of selected investigative powers during the 2007-2011 period. The bill also would require DOJ to prepare new reports each year, in both classified and unclassified form, on its use of certain investigative powers.

Based on information from DOJ and the intelligence community, we expect that about two dozen people would be hired to carry out the audits and prepare the reports. CBO estimates that it would cost about \$1 million in fiscal year 2011, \$4 million in 2012, \$3 million in 2013, and less than \$500,000 annually thereafter to complete the audits and reports required by the bill.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. By rescinding \$5 million from the unobligated balances of the Assets Forfeiture Fund, S. 193 would reduce direct spending. The bill also could affect direct spending and revenues through the collection and spending of civil and criminal fines. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 193 as reported by the Senate Committee on the Judiciary on March 17, 2011

	By Fiscal Year, in Millions of Dollars											2011-	2011-
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	-1	-2	-2	0	0	0	0	0	0	0	0	-5	-5
Memorandum:													
Changes in Outlays	-1	-2	-2	0	0	0	0	0	0	0	0	-5	-5
Changes in Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

CBO has determined that the provisions of S. 193 are either excluded from review for mandates under UMRA because they are necessary for national security or they contain no intergovernmental or private-sector mandates.

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