



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 20, 2018

H.R. 5904

No Oil Producing and Exporting Cartels Act of 2018

As ordered reported by the House Committee on the Judiciary on June 13, 2018

H.R. 5904 would seek to prohibit foreign states from working collectively to limit the production, set the price, or otherwise restrain the trading of petroleum and natural gas when such actions affect U.S. markets. The bill would authorize the Department of Justice (DOJ) to enforce the legislation by filing antitrust actions in federal courts. Under the bill, foreign states that restrain trade in petroleum and natural gas would not be immune from the judgment of U.S. courts under the doctrine of sovereign immunity.

CBO has no basis to predict whether DOJ would initiate antitrust actions against foreign states under the bill. The cost of investigating alleged antitrust violations like those that might be brought under H.R. 5904 could cost millions of dollars per year, subject to the availability of appropriated funds.

Because those prosecuted and convicted under H.R. 5904 could be subject to criminal fines, the federal government might collect additional fines under the bill. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent without further appropriation action.

Because enacting H.R. 5904 could affect direct spending and revenues, pay-as-you-go procedures apply. CBO cannot estimate the magnitude of additional revenues and direct spending because we cannot determine whether the DOJ would bring a civil action against alleged violators, whether the government would win such legal action, or how much in penalties would be collected. However, because whatever is collected would ultimately be spent, the net effect on the deficit would be insignificant.

CBO estimates that enacting H.R. 5904 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5904 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.