



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 27, 2017

### **S. 832** **AGOA and MCA Modernization Act**

*As reported by the Senate Committee on Foreign Relations  
on October 17, 2017*

S. 832 would direct the President to increase public awareness of the African Growth and Opportunity Act (AGOA) and would authorize several federal programs to encourage trade and economic cooperation with and between AGOA countries. The bill also would make changes to the operations of the Millennium Challenge Corporation (MCC). In total, CBO estimates that implementing the bill would cost less than \$500,000 over the 2018-2022 period, subject to the availability of appropriated funds.

In particular, the bill would:

- Require the President to establish and update a public website for information on AGOA;
- Authorize the President to encourage trade with and economic cooperation between countries in sub-Saharan Africa;
- Authorize MCC to enter into a concurrent compact with a country to increase regional economic integration, trade, or other economic collaborations;
- Allow countries that experience changes in their per capita income to remain candidates for MCC compacts in the year they were selected and the two subsequent years; and
- Require MCC to report to the Congress on the risks associated with concurrent compacts and on the feasibility of partnering with entities within a country such as state or local governments.

On the basis of information from agencies engaged in implementing AGOA, CBO expects that most of the bill's requirements pertaining to AGOA will be implemented under current and ongoing initiatives. MCC indicated that allowing it to enter into concurrent compacts would not require additional appropriations nor would it significantly affect MCC's planned obligations. In recent years, appropriations acts have provided MCC the flexibility to stabilize its pool of candidate countries despite changes

in their per capita income, and CBO estimates that making that flexibility permanent would not affect spending by MCC. Finally, on the basis of information from MCC, CBO estimates that implementing the reporting requirements would have insignificant costs.

Enacting S. 832 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 832 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 832 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On October 11, 2017, CBO transmitted a cost estimate for H.R. 3445 as ordered reported by the House Committee on Foreign Affairs on September 28, 2017. That bill is similar to S. 832 and CBO's estimates of their budgetary effects are the same.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.