

At a Glance

H.R. 3190, BURMA Act of 2019

As ordered reported by the House Committee on Foreign Affairs on June 20, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	9	14
Revenues	0	18	46
Deficit Effect	0	-9	-32
Spending Subject to Appropriation (Outlays)	0	222	223
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

The bill would

- Authorize the appropriation of \$221 million for humanitarian assistance for Burma and surrounding regions
- Impose sanctions on people and entities that are responsible for human rights violations in Burma
- Require reports and administrative activities to enforce sanctions
- Impose private-sector mandates by prohibiting entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions

Estimated budgetary effects would primarily stem from

- Spending on humanitarian assistance to Burma and Bangladesh
- Increased penalties on foreign individuals and entities

Areas of significant uncertainty include

- Anticipating the extent to which the Administration would impose sanctions and collect penalties for their violation

Detailed estimate begins on the next page.

Bill Summary

H.R. 3190 would authorize the appropriation of \$221 million for humanitarian assistance in Burma and the surrounding region and impose sanctions on people and entities that are responsible for human rights violations in that country.

Estimated Federal Cost

The estimated budgetary effects of H.R. 3190 are shown in Table 1. The costs of the legislation fall within budget functions 150 (international affairs) and 750 (administration of justice).

Table 1.
Estimated Budgetary Effects of H.R. 3190

	By Fiscal Year, Millions of Dollars											2019-2024	2019-2029
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
	Increases in Direct Spending												
Estimated Budget Authority	0	0	1	2	3	3	4	1	*	*	0	9	14
Estimated Outlays	0	0	1	2	3	3	4	1	*	*	0	9	14
	Increases in Revenues												
Estimated Revenues	0	0	2	4	6	6	7	7	7	5	2	18	46
	Net Decrease (-) in the Deficit From Changes in Direct Spending and Revenues												
Effect on the Deficit	0	0	-1	-2	-3	-3	-3	-6	-7	-5	-2	-9	-32
	Increases in Spending Subject to Appropriation												
Estimated Authorization	0	221	*	*	*	*	*	*	*	*	*	222	223
Estimated Outlays	0	149	33	22	11	6	*	*	*	*	*	222	223

* = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that H.R. 3190 will be enacted near the start of fiscal year 2020 and that the specified amounts will be appropriated shortly thereafter. CBO estimates that outlays will match historical spending patterns for similar activities.

Direct Spending and Revenues

Sections 104 and 203 would require the Administration to impose sanctions on current and former officials of the Burmese military who are responsible for human rights abuses. Sanctions also would apply to any person who has knowingly provided support to those officials or their family members. Persons subject to those sanctions could be

denied visas to enter or remain in the United States and could be blocked from accessing assets in the country.

CBO expects that revenues would increase from penalties for violating economic sanctions on foreign individuals and entities. Based on information from the Office of Foreign Assets Control and analysis of violations and penalties assessed under prior Burmese sanctions programs, CBO estimates that enacting the bill would increase revenues by \$46 million over the 2020-2029 period. Those revenues would decline after 2027 when most of the sanctions would expire.

Under current law, half of all civil penalty revenues collected from violations of any licenses, orders, regulations, or prohibitions issued under the International Emergency Economic Powers Act is deposited into the Victims of State Sponsored Terrorism (VSST) Fund. U.S. persons affected by acts of international terrorism can be compensated with payments from the fund, and demand for compensation generally exceeds the balances in the fund. Thus, increasing deposits into the fund would increase direct spending for compensation. Those payments are classified as direct spending. In total, CBO estimates that enacting the bill would increase direct spending from the fund by \$14 million over the 2020-2029 period. Authority to make payments from the VSST Fund expires in 2026, and amounts in the fund may not be obligated after January 1, 2026.

Enacting H.R. 3190 also would increase the number of people who would be denied visas by the Department of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited into the Treasury as revenues. CBO estimates that implementing the visa sanctions under H.R. 3190 would affect very few additional people and thus would have insignificant effects on revenues and direct spending.

Spending Subject to Appropriation

Implementing H.R. 3190 would cost \$223 million over the 2020-2029 period, primarily for humanitarian assistance; such spending would be subject to the appropriation of the specified and estimated amounts.

Humanitarian Assistance. Section 201 would authorize the appropriation of \$221 million in 2020 for humanitarian assistance to Burma, Bangladesh, and the surrounding region. On the basis of information from the Department of State and the U.S. Agency for International Development about similar activities, CBO estimates that outlays for that assistance would total \$221 million over the 2020-2029 period.

Other provisions. Several provisions would have insignificant costs. In total, those provisions would cost less than \$500,000 each year and would total \$2 million over the 2020-2029 period. Those provisions would:

- Require the Department of State and the Department of Treasury to enforce sanctions against people and entities found to be responsible for human rights violations in Burma;
- Require the Department of State to periodically submit to the Congress a list of entities in Burma's gemstone and mining industries that meet or are trying to meet transparency standards for their industry;
- Require the Department of State to provide guidance to U.S. companies that import gemstones and jewelry on internationally accepted recommendations to mitigate adverse effects on the Burmese people and environment when using items that may be from that country;
- Require the Administration to provide the Congress with a strategy to promote economic development in Burma and to report on its implementation; and
- Require the Administration to report to the Congress on its strategy to prevent ethnic cleansing and other human rights abuses occurring by the Burmese military and security forces.

Finally, section 402 would authorize the Department of State to assist entities that investigate and preserve evidence of ethnic cleansing, genocide, and war crimes in parts of Burma and to support transitional justice (measures to promote peace and justice in countries where armed conflict or repression is abating). The department currently provides assistance to entities that are documenting human rights violations in Burma. Although it is possible that the department would increase such assistance under the bill, CBO has no basis for estimating such additional costs. In addition, CBO has no basis for estimating when or in what form the department would provide additional assistance for transitional justice.

Uncertainty

The budgetary effects of the bill depend on the extent to which the Administration would impose sanctions and collect penalties for their violation.

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. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 2.

Table 2.
CBO’s Estimate of Pay-As-You-Go Effects of H.R. 3190

	By Fiscal Year, Millions of Dollars											2019-2024	2019-2029
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
	Net Decrease (-) in the Deficit												
Statutory Pay-As-You-Go Effect	0	0	-1	-2	-3	-3	-3	-6	-7	-5	-2	-9	-32
Memorandum:													
Changes in Outlays	0	0	1	2	3	3	4	1	0	0	0	9	14
Changes in Revenues	0	0	2	4	6	6	7	7	7	5	2	18	46

Increase in Long-Term Deficits: None.

Mandates

By imposing sanctions on certain Burmese officials, H.R. 3190 could prohibit individuals or entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions. Such a prohibition is a mandate under the Unfunded Mandates Reform Act (UMRA). The cost of the mandate would be any income that U.S. entities lose because they no longer have access to the property in question or because they may no longer engage in transactions prohibited by the bill. Because the sanctions focus only on persons in foreign countries who have committed certain violations, CBO expects that the number of individuals or entities in the United States that could be affected by the legislation would be small. Furthermore, CBO expects that the loss of income from any incremental restrictions imposed by the bill would be small. Therefore, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$164 million in 2019, adjusted annually for inflation).

H.R. 3190 contains no intergovernmental mandates as defined in UMRA.

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Federal Costs:

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