

H.R. 6600, Ethiopia Stabilization, Peace, and Democracy Act

As ordered reported by the House Committee on Foreign Affairs on February 9, 2022

| By Fiscal Year, Millions of Dollars | 2022 | 2022-2026 | 2022-2031 |
|--|------------|-------------------------------------|-----------------------------|
| Direct Spending (Outlays) | * | * | * |
| Revenues | * | * | * |
| Increase or Decrease (-) in the Deficit | * | * | * |
| Spending Subject to Appropriation (Outlays) | * | * | not estimated |
| 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 2032? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | Yes, Under Threshold |
| * = between -\$500,000 and \$500,000. | | | |

Bill Summary

H.R. 6600 would require the President to impose sanctions on foreign persons the Administration determines have taken the following actions in Ethiopia:

- Threatened peace and stability,
- Undermined progress toward a ceasefire,
- Obstructed humanitarian assistance, or
- Violated human rights.

The bill also would suspend certain U.S. foreign assistance to Ethiopia and authorize the Administration to help entities investigate and seek accountability for war crimes, crimes against humanity, and genocide in that country. Lastly, the bill would require the Administration to develop and implement a strategy to promote peace, reconciliation, and human rights in Ethiopia and to report to the Congress on its actions under the bill and on other related matters.

Estimated Federal Cost

In September 2021, the Administration imposed similar sanctions under Executive Order 14046. If enactment of the bill leads the Administration to broaden those sanctions, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the department and spent without further appropriation, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

Sanctions under the bill also would increase the number of people who are subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation. In addition, the bill would block transactions in certain assets and property that are in the United States or that come under the control of people in the United States.

Using data about the effects of similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting H.R. 6600 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2022-2031 period.

The United States already has wide-ranging restrictions on foreign assistance to Ethiopia. The Department of State currently provides assistance to entities that investigate and preserve evidence of war crimes, crimes against humanity, and genocide around the world. While it is possible that the department would increase such assistance to Ethiopia under the bill, CBO has no basis for estimating such additional amounts. On the basis of information about similar reporting requirements, CBO estimates that providing the reports required under the bill would cost less than \$500,000 over the 2022-2026 period. Such spending would be subject to the availability of appropriated funds.

Mandates

H.R. 6600 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). It would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen by sanctions required in the bill. Those transactions are otherwise permitted under current law. The cost of the mandate would be any income lost as a consequence. CBO expects that because a small number of people or entities would be affected, the loss of income from any incremental increase in restrictions imposed by the bill would be small as well. CBO estimates that the



cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).

H.R. 6600 contains no intergovernmental mandates as defined in UMRA.

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