



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 17, 2018

H.R. 1677 **Caesar Syria Civilian Protection Act of 2018**

*As reported by the Senate Committee on Foreign Relations
on October 3, 2018*

H.R. 1677 would require the Departments of State and the Treasury to impose sanctions on people and entities responsible for the security and humanitarian crisis in Syria as well as persons who provide significant financial, material, or technological support to the government of Syria. The legislation also would authorize the Department of State to assist entities that are investigating war crimes or crimes against humanity in Syria. Finally, H.R. 1677 would require the Administration to report to the Congress on the implementation of the act, ongoing assistance programs for the Syrian people, and the feasibility of various options to protect civilians in Syria. The requirements of the legislation would expire after five years.

On the basis of information from the Department of State, CBO expects the department would hire three additional staff at an annual cost of about \$200,000 per person to implement the act's sanctions and reporting provisions. Administrative activities of the Treasury Department would cost less than \$500,000 over the next five years, CBO estimates. The Department of State is currently providing assistance to entities that are committed to investigating and preserving evidence of human right violations in Syria. While it is possible that the department would increase such assistance under the act, CBO has no basis for estimating such additional amounts. In total, and incorporating the effects of inflation, CBO estimates that implementing H.R. 1677 would cost \$3 million over the 2019-2023 period, subject to the availability of appropriated funds. If the agencies request or the Congress appropriates a different amount, the costs could be higher or lower.

Enacting H.R. 1677 would increase the number of people who would be denied visas by the Secretary of State and the number who would be subject to civil or criminal penalties. Most visa fees are retained by the Department of State and spent without further appropriation, but some fees are deposited in the Treasury as revenues. Penalties also are recorded as revenues, and a portion of those penalties can be spent without further appropriation. Because enacting the legislation would affect direct spending and revenues, pay-as-you-go procedures apply. However, CBO estimates that implementing

those sanction provisions would affect very few additional people, and thus the net effect on both revenues and direct spending would be insignificant.

CBO estimates that enacting H.R. 1677 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 1677 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

By imposing sanctions on foreign people or entities that have taken actions to support the government in Syria, H.R. 1677 could prohibit entities in the United States from engaging in activities that would otherwise be permitted under current law, including having access to property that has been frozen by the sanctions. That prohibition would be a private-sector mandate as defined in UMRA. The cost of the mandate would be any income that entities in the United States lose because they no longer have access to the property in question or because they could no longer engage in transactions prohibited by the act. Because the sanctions focus only on foreign entities, CBO expects that the number of entities in the United States affected by the legislation would be very small. Furthermore, CBO expects that the loss of income from any incremental restrictions in the act also would be small. As a result, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

On May 9, 2017, CBO transmitted a cost estimate for H.R. 1677 as ordered reported by the House Committee on Foreign Affairs on May 3, 2017. The two versions of the legislation are similar, and CBO's estimate of their budgetary effects are the same.

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Jon Sperl (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.