Congressional Budget Office
Cost Estimate

March 21, 2019

H.R. 1477, Russian-Venezuelan Threat Mitigation Act

As ordered reported by the House Committee on Foreign Affairs on March 14, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Deficit Effect	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	n.a.

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**

n.a. = not applicable; * = between -$500,000 and $500,000.

H.R. 1477 would require the Department of State to assess threats posed by security cooperation between Russia and Venezuela and to develop a strategy to counter such threats. It also would require the department to inform the Congress on its threat assessment and the strategy. In addition, the bill would require the President to assess and report to the Congress on the potential risks to national security if Russia acquired the energy company CITGO's assets in the United States. Using information about the costs of similar reports, CBO estimates that satisfying the reporting requirements in H.R. 1477 would cost less than $500,000 over the 2019-2024 period; such spending would be subject to the availability of appropriated funds.

In addition, the bill would prohibit the Administration from granting visas and allowing entry into the United States to individuals who, on behalf of Russia, have provided support to Venezuelan security forces. Thus, enacting H.R. 1477 would reduce the number of people who would be issued visas by the Secretary of State. 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. Because enacting the legislation would affect direct spending and revenues, pay-as-you-go procedures apply. However, CBO estimates that implementing that provision would affect very few additional people, so any effects on direct spending and revenues would be insignificant.

By imposing sanctions on certain foreign people or entities that have taken actions in support of the Venezuelan security forces, H.R. 1477 could prohibit entities in the United States from engaging in activities that would otherwise be permitted under current law, such as traveling with a U.S.-issued visa. That prohibition would be a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). The cost of the mandate would be any income that entities in the

United States lose because they could no longer engage in activities prohibited by the bill. Because the sanctions focus only on foreign entities that have committed certain violations, CBO expects that the number of entities in the United States affected by the legislation would be very small. Furthermore, because the sanctions are travel related, CBO expects that the loss of income from any incremental restrictions in the bill 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 ($164 million in 2019, adjusted annually for inflation).

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.