Congressional Budget Office
Cost Estimate

December 6, 2021

S. 2129, Otto Warmbier Countering North Korean Censorship and Surveillance Act of 2021

As reported by the Senate Committee on Foreign Relations on October 28, 2021

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)	8	48	not estimated

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
		Contains intergovernmental mandate?	No
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

Bill Summary

S. 2129 would authorize appropriations to broadcast programs into North Korea and to facilitate Internet freedom in that country. It also would authorize the Administration to impose sanctions on foreign persons responsible for North Korea's censorship and surveillance activities. Lastly, S. 2129 would require the Administration to report annually to the Congress on its implementation of the bill and on related matters.

Spending Subject to Appropriation

S. 2129 would authorize the appropriation of $10 million each year over the 2022-2026 period for the U.S. Agency for Global Media to increase broadcasting to North Korea and to promote Internet freedom in that country. On the basis of historical spending patterns for those programs, CBO estimates that outlays would increase by $48 million over the 2022-2026 period, subject to the appropriation of the specified amounts.

On the basis of information about the costs to prepare similar reports, CBO estimates that satisfying the reporting requirements 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.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

The costs of the legislation, detailed in Table 1, fall within budget function 150 (international affairs).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 2129

	By Fiscal Year, Millions of Dollars					
	2022	2023	2024	2025	2026	2022-2026
Authorization Level	10	10	10	10	10	50
Estimated Outlays	8	10	10	10	10	48

Direct Spending and Revenues

Under the bill, to the extent the Administration broadens existing sanctions related to North Korea, 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 of State 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.

On the basis of data for similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting S. 2129 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2022-2031 period.

Mandates

S. 2129 could impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) if the President elects to impose sanctions authorized in the bill. It would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen by sanctions authorized 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 ($168 million in 2020, adjusted annually for inflation).

S. 2129 contains no intergovernmental mandates as defined in UMRA.

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