

H.R. 5497, Burma Unified through Rigorous Military Accountability Act of 2021

As ordered reported by the House Committee on Foreign Affairs on October 21, 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)	75	322	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, Over Threshold
* = between -\$500,000 and \$500,000.			

Bill Summary

H.R. 5497 would authorize appropriations to provide humanitarian assistance and other support to Burma. The bill would authorize the Department of State to designate a coordinator for the federal government’s efforts to promote democracy and human rights in that country. It also would authorize the President to impose sanctions on foreign persons he determines have engaged in undermining democracy and violating human rights in Burma and to report to the Congress on those actions and related matters. Lastly, H.R. 5497 would authorize the Administration to restrict imports of Burmese gemstones.

Spending Subject to Appropriation

Section 301 would authorize the appropriation of \$50 million each year over the 2022-2027 period to support civil society and independent media. Section 302 would authorize the appropriation of \$221 million in 2022 for humanitarian assistance. On the basis of historical spending patterns for those programs, CBO estimates that outlays would increase by \$321 million over the 2022-2026 period, subject to the appropriation of the specified amounts. (The remainder would be spent after 2026.)

Using information about the costs of similar requirements, CBO estimates that appointing a special coordinator and providing the reports required under H.R. 5497 would cost less than \$500,000 each year and total \$1 million over the 2022-2026 period; such spending would be subject to availability of appropriated funds. In total, CBO estimates that implementing H.R. 5497 would increase outlays by \$322 million over the 2022-2026 period.

Section 402 would authorize the Department of State to support transitional justice in Burma and assist entities investigating war crimes, crimes against humanity, and genocide in that country. (Transitional justice includes measures to promote peace and justice in countries where armed conflict or repression is abating.) The department currently provides assistance to entities that investigate and preserve evidence of such crimes around the world. It also assists entities that investigate and document ethnic cleansing and other gross violations of human rights in Burma. While it is possible that the department would increase assistance under the bill, CBO has no basis for estimating such additional amounts. In addition, CBO has no basis for estimating how much the department would need to provide assistance for transitional justice if it chose to do so.

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 H.R. 5497

	By Fiscal Year, Millions of Dollars					2022-2026
	2022	2023	2024	2025	2026	
Assistance for Civil Society and Independent Media						
Authorization Level	50	50	50	50	50	250
Estimated Outlays	3	13	25	35	41	117
Humanitarian Assistance						
Authorization Level	221	0	0	0	0	221
Estimated Outlays	72	58	34	28	12	204
Other provisions						
Estimated Authorization	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Changes						
Estimated Authorization	271	50	50	50	50	472
Estimated Outlays	75	71	59	63	53	322

Components may not sum to totals because of rounding; * = between zero and \$500,000.

Direct Spending and Revenues

Enacting H.R. 5497 would have insignificant effects on revenues and direct spending over the 2022-2031 period. Because the effects would be small and offsetting, CBO cannot determine whether the net effect would increase or decrease the deficit.

Import Ban

If the President chooses to prohibit imports of Burmese gemstones under the bill, CBO expects that U.S. importers would replace most of that supply by substituting gemstone imports from other countries. Although the substitute gemstones may be of lesser quality and thus less valuable to the importers, the duties paid on the gemstones from other countries are similar to duties on Burmese gemstones. Thus, the small net decrease in imports would reduce federal customs revenue by an insignificant amount. (For further information on the financial effect on importers see the discussion below under the heading “Mandates.”)

Sanctions

After the 2021 coup in Burma, the Administration imposed sanctions against Burmese officials and certain sectors of the economy. To the extent the Administration broadens the application of existing sanctions or imposes new sanctions under the bill, 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 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, broadening sanctions under the bill would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2022-2031 period.

Mandates

H.R. 5497 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost of the mandates would exceed the threshold for private-sector mandates established in UMRA (\$170 million in 2021, adjusted annually for inflation). H.R. 5497 contains no intergovernmental mandates.



The bill would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen by sanctions. 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.

H.R. 5497 also would authorize the President to prohibit U.S. entities from importing any gemstones mined or extracted from Burma. This would expand an existing mandate established by U.S. sanctions that prohibits entities in the United States from engaging in transactions with some gemstone companies in Burma. The cost of the mandate would be the differential cost to source gemstones of comparable size, color, and clarity that may be imported under current law with gemstones from other countries. The cost also would include any unrealized profits lost as a result of marketing replacement gemstones.

In recent years, trade in gemstones between the United States, Burma, and neighboring countries known to trade in Burmese gemstones has exceeded hundreds of millions of dollars in value each year. There also is a large black-market trade in Burmese gemstones that makes accounting for the full value of trade with the United States difficult to quantify. As a result, data about the cost and availability of gemstones of comparable size and quality that could be substituted if a ban took effect is limited. U.S. entities also could have difficulty in sourcing comparable gemstones because Burmese gemstone deposits contain sought-after qualities, including rich color densities, that may not be readily available from other countries.

While data on comparable gemstones remains elusive, the value of annual gemstone imports from Burma and the surrounding region combined with the difficulty in sourcing comparable goods from other nations would likely result in an annual cost to U.S. entities that would exceed several hundred million dollars each year the mandate is in effect.



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