



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2001

H.R. 2052 **Sudan Peace Act**

As ordered reported by the House Committee on International Relations on June 6, 2001

H.R. 2052 would condemn slavery and human rights abuses in Sudan, require disclosure statements from any entity engaged in commercial activity in Sudan, authorize the Secretary of State to support the peace process in Sudan, and require the President to devise a contingency plan for delivering aid to Sudan. CBO estimates that enacting H.R. 2052 would have no significant budgetary impact. The act would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

Each year the United States provides nearly \$190 million in assistance to the people of Sudan through various emergency food-aid, disaster assistance, refugee assistance, and development assistance programs. The provisions of H.R. 2052 would not substantially expand the Administration's authority to provide such assistance. CBO estimates that spending on those emergency and humanitarian programs would continue at current levels.

The bill contains several reporting and contingency planning requirements that would not affect the State Department's workload significantly. Based on information from the department, CBO estimates that enacting H.R. 2052 would increase the agency's spending by less than \$500,000 annually, assuming the availability of appropriated funds.

H.R. 2052 would impose a private-sector mandate as defined by the Unfunded Mandates Reform Act (UMRA) on entities engaged in commercial activities in Sudan. The bill would require disclosure of business activities in Sudan prior to an entity trading its securities in any capital market in the United States. Currently, under the President's Executive Order (E.O. 13067), trade with Sudan is prohibited except for importation of gum arabic in raw form. According to government sources, the number of companies affected by the bill would be limited. Further, the cost to disclose information about business activities in Sudan to the Securities and Exchange Commission would be minimal. CBO estimates, therefore, that the direct cost of the mandate would fall below the annual threshold established by UMRA for private-sector mandates (\$113 million in 2001, adjusted annually for inflation).

H.R. 2052 contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for federal costs is Joseph C. Whitehill. The CBO staff contact for private-sector mandates is Paige Piper/Bach. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.