



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 13, 2007

**H.R. 2347  
Iran Sanctions Enabling Act of 2007**

*As ordered reported by the House Committee on Financial Services  
on May 23, 2007*

H.R. 2347 would require the President to publish in the Federal Register, with updates every six months, a list of each person or entity, inside or outside of the United States, who has an investment in Iran's energy sector worth more than \$20 million. The bill also would allow state and local governments to divest their assets from any entity included in the published list. Finally, H.R. 2347 would prohibit lawsuits against companies that divest themselves from investments in companies included on the published list.

CBO estimates that implementing H.R. 2347 would not have a significant effect on the federal budget. Enacting the bill would not affect direct spending or receipts. H.R. 2347 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 2347 would impose a private-sector mandate, as defined in UMRA, on entities participating in certain private pension plans. It would provide liability protection for fiduciaries and other responsible parties of employee benefit plans if they were to divest assets from certain companies that invest \$20 million or more in Iran's energy sector. By providing such protection, the bill would eliminate an existing right of civil action for plan participants and beneficiaries. Due to the lack of information about both the value of awards in such cases and the number of claims that would be filed in the absence of this legislation, CBO cannot estimate the level of potential awards, if any. Therefore, CBO cannot determine whether the aggregate cost of mandates in the bill would exceed the annual threshold for private-sector mandates (\$131 million in 2007, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sam Papenfuss (for federal costs) and Justin Hall (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.