CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 27, 2007

H.R. 957
A bill to amend the Iran Sanctions Act of 1996 to expand and clarify the entities against which sanctions may be imposed

As ordered reported by the House Committee on Foreign Affairs on February 15, 2007

H.R. 957 would amend current law to expand the definition of persons who are subject to sanctions for making investments that increase Iran's ability to develop its petroleum resources. The new definition would add financial institutions, insurers, underwriters, guarantors, and any other business organizations, including any foreign subsidiaries, to the list of entities already barred from investing in Iran. The bill also would add several petroleum by-products to the definition of petroleum resources. Finally, the bill would make parent companies that create entities to invest in Iran subject to the same penalties that would apply if the parent company had actually engaged in such activity. The provisions of H.R. 957 would codify existing prohibitions on the private sector that are contained in Executive Orders 12957, 12959, and 13059.

CBO estimates that enacting H.R. 957 would have no significant budgetary effect. H.R. 957 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. This bill contains no new private-sector mandates as defined in UMRA.

The CBO staff contact for this estimate is Sam Papenfuss. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.