



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 21, 2017

### **S. 1901** **Leverage to Enhance Effective Diplomacy Act of 2017**

*As reported by the Senate Committee on Foreign Relations on December 7, 2017*

S. 1901 would authorize the President to impose sanctions on people or entities that have facilitated the production or distribution of illicit substances to help finance North Korea's nuclear and ballistic missile programs. The bill also would direct the President to determine and report to the Congress on whether several entities identified in the bill should be subject to sanctions. Finally, it would require federal agencies (primarily the Department of State and the Office of the Director of National Intelligence) to prepare and provide strategies, briefings, and reports to the Congress on the threats posed by North Korea, U.S. efforts to counter those threats, and other related matters.

Using information about the costs of similar activities, CBO estimates that administering the sanctions and preparing the reports required under S. 1901 would cost less than \$500,000 each year and total \$1 million over the 2018-2022 period; such spending would be subject to the availability of appropriated funds.

Enacting S. 1901 would increase the number of people and entities that would be subject to civil or criminal penalties and the number of people who would be denied visas by the Department of State. Penalties are recorded in the budget as revenues and a portion of those penalties can be spent without further appropriation. Most visa fees are retained by the department and spent without further appropriation but some are deposited into the Treasury as revenues. Pay-as-you-go procedures apply because enacting the bill would affect direct spending and revenues. However, CBO estimates that those effects would not be significant because the bill would affect very few people or entities and because of the broad scope of restrictions and sanctions in existing laws and regulations pertaining to North Korea.

CBO estimates that enacting S. 1901 would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1901 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.