Congressional Budget Office
Cost Estimate

March 22, 2023

H.R. 1151, Upholding Sovereignty of Airspace Act

As ordered reported by the House Committee on Foreign Affairs on February 28, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	< $2.5 billion	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 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

H.R. 1151 would require the Administration to report to the Congress on the effectiveness of strategies to deflate the Chinese military's capacity to construct, operate, or maintain surveillance balloons. On the basis of information about the costs of similar requirements, CBO estimates that providing those reports would cost less than $500,000 over the 2023-2028 period. Such spending would be subject to the availability of appropriated funds.

The bill also would authorize the President to impose sanctions on Chinese persons who support China's surveillance balloon activities. The Administration has existing authority to sanction such individuals. If enactment of the bill leads the Administration to broaden those sanctions, 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 of State and spent, 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 also 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, enacting H.R. 1151 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2023-2033 period.

H.R. 1151 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) if the President imposes sanctions as a result of the bill. Sanctions would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen. Those transactions are otherwise permitted under current law. The cost of the mandate would be any income lost because of the prohibition. 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. CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

H.R. 1151 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Aldo Prosperi (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Chad Chirico, Deputy Director of Budget Analysis.

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