Congressional Budget Office
Cost Estimate

November 7, 2023

H.R. 5557, Combatting Foreign Surveillance Spyware Sanctions Act

As ordered reported by the House Committee on Financial Services on September 20, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	*

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. 5557 would allow the Administration to impose sanctions on foreign companies and persons involved in proliferating foreign spyware that enables targeting U.S. government officials or intelligence community personnel. The bill also would authorize the Department of the Treasury to encourage international financial institutions such as the World Bank to deny assistance to foreign governments that facilitate such proliferation.

Using other authorities available under current law, the Administration can sanction companies and persons that threaten national security by facilitating the targeting of U.S. government officials and intelligence community personnel. 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

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CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

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.

Using data about similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting H.R. 5557 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2033 period.

Based on the cost of similar actions, CBO estimates that efforts to influence the actions of international financial institutions would cost less than $500,000 over the 2024-2028 period. Such spending would be subject to the availability of appropriated funds.

H.R. 5557 could 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 could 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. 5557 contains no intergovernmental mandates as defined in UMRA.

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