Congressional Budget Office
Cost Estimate

April 2, 2024

# H.R. 7701, No Russian Tunnel to Crimea Act

**As ordered reported by the House Committee on Foreign Affairs on March 21, 2024**

| By Fiscal Year, Millions of Dollars | 2024 | 2024-2029 | 2024-2034 |
|---|---|---|---|
| Direct Spending (Outlays) | * | * | * |
| Revenues | * | * | * |
| Increase or Decrease (-) in the Deficit | * | * | * |
| Spending Subject to Appropriation (Outlays) | * | * | not estimated |

| | | | |
|---|---|---|---|
| Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035? | < $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 2035? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | Yes, Under Threshold |

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

H.R. 7701 would require the Administration to impose sanctions on foreign persons or entities that knowingly assist the construction, maintenance, or repair of any tunnel or bridge connecting the Russian mainland to the Crimean peninsula. The Administration could waive the required sanctions after notifying the Congress of its intent to do so.

The Administration has existing authority to sanction foreign persons and entities engaging in activities that threaten the territorial integrity of Ukraine. 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.

In addition, the bill would block transactions involving certain assets and property that are in the United States or that come under the control of people in the United States. People who violate those sanctions would be subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation.

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

Using data about similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting H.R. 7701 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2034 period.

Based on the cost of notifications similar to those required by H.R. 7701, CBO estimates that notifying the Congress of sanctions waivers would cost less than $500,000 over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

H.R. 7701 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). 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 ($200 million in 2024, adjusted annually for inflation).

H.R. 7701 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Emma Uebelhor (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

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