

Calendar No. 158

109TH CONGRESS }
1st Session }

SENATE

{ REPORT
109-101

APPROVING THE RENEWAL OF IMPORT RESTRICTIONS
CONTAINED IN THE BURMESE FREEDOM AND DEMOC-
RACY ACT OF 2003

—————
JULY 12, 2005.—Ordered to be printed
—————

Mr. GRASSLEY, from the Committee on Finance,
submitted the following

R E P O R T

[To accompany S.J. Res. 18]

[Including cost estimate of the Congressional Budget Office]

The Committee on Finance, to which was referred the joint reso-
lution (S.J. Res. 18) approving the renewal of import restrictions
contained in the Burmese Freedom and Democracy Act of 2003,
having considered the same, reports favorably thereon without
amendment and recommends that the joint resolution do pass.

CONTENTS

	Page
I. Report and Other Matters of the Committee	2
A. Report of the Committee on Finance	2
B. Background	2
1. The Government of Burma	2
2. The Burmese Freedom and Democracy Act of 2003 (the Act)	2
3. Procedures for Renewing the Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003	3
4. Committee Consideration of S.J. Res. 18	3
5. Report of the U.S. Department of State on the Trade Sanctions Against Burma	4
II. Budgetary Impact of the Joint Resolution	10
III. Regulatory Impact of the Joint Resolution and Other Matters	12
IV. Changes in Existing Law	13

I. REPORT AND OTHER MATTERS OF THE COMMITTEE

A. REPORT OF THE COMMITTEE ON FINANCE

The Committee on Finance, to which was referred the joint resolution (S.J. Res. 18) approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, having considered the same, reports favorably thereon without amendment and recommends that the resolution do pass.

B. BACKGROUND

1. THE GOVERNMENT OF BURMA

Burma is governed by a military junta that took power in September 1988. The junta, the State Peace and Development Council (SPDC), violently suppressed pro-democracy demonstrators in September 1988. The junta allowed elections to a National Assembly in 1990, but it nullified the results when the opposition National League for Democracy (NLD) won most of the seats. Since 1990, reports from human rights organizations and the U.S. State Department have described a pattern of SPDC policies featuring the suppression of political liberties, jailing of thousands of political prisoners (more than 1,000 estimated imprisoned in July 2005), widespread physical abuses against civilians, the impressment of civilians into military service, and the conscription of thousands of civilians for work on economic projects.

On May 30, 2003, a pro-government group of several hundred people assaulted the opposition NLD leader Daw Aung San Suu Kyi and her supporters near Mandalay, Burma's second-largest city. The attackers were members of the United Solidarity Development Association, a pro-government mass organization. Some NLD supporters were killed, and Daw Aung San Suu Kyi and other NLD leaders were taken into custody. The government closed NLD offices in the country.

2. THE BURMESE FREEDOM AND DEMOCRACY ACT OF 2003 (THE ACT)

In response to the May 30th attack, the Burmese Freedom and Democracy Act of 2003 was introduced in the U.S. House of Representatives (H.R. 2330) and the U.S. Senate (S. 1182) on June 4, 2003. A revised version of the legislation was introduced in the Senate (S. 1215) on June 9, 2003. That latter version, S. 1215, passed the Senate with an amendment on June 11, 2003, by a recorded vote of 97–1. In the House, H.R. 2330 passed with an amendment on July 15, 2003, by a recorded vote of 418–2, 1 Present. The Senate then passed the House-passed version of H.R. 2330 without amendment on July 16, 2003, by a recorded vote of 94–1. The legislation was presented to the President on July 22, 2003, and signed into law by the President on July 28, 2003 (Pub. L. 108–61).

As enacted, the Act generally bans imports from Burma, affecting mainly imports of Burmese textiles and garments. U.S. imports of these products from Burma rose from nearly \$60 million in 1994 to \$408 million in 2001 before falling to \$297 million in 2002, according to Department of Commerce statistics. Total imports from Burma in 2002 were \$356 million. The ban on imports will remain

until the President certifies to Congress that the SPDC has made major progress to end human rights violations, including rapes, forced and child labor, and conscription of child-soldiers, released political prisoners, allowed political, religious, and civil liberties, and reached agreement with the NLD for a civilian government chosen through democratic elections. The Act also freezes Burmese assets in the United States and requires the United States to oppose aid to Burma by international financial institutions.

Pursuant to section 9(b) of the Act, the import ban will expire one year from the date of enactment unless a joint resolution (“renewal resolution”) approving a one-year renewal of the import ban is enacted into law prior to the anniversary of the date of enactment. The Act also provides that the import ban may be renewed for a maximum of three years from the date of enactment, i.e. until July 28, 2006. Last year, on June 14, 2004, the House passed H.J. Res. 97, by a recorded vote of 372–2, approving the renewal of the import ban until July 28, 2005. On June 24, 2004, the Senate passed the House-passed version by a recorded vote of 96–1. The legislation was signed into law by the President on July 7, 2004 (Pub. L. 108–272).

The purpose of S.J. Res. 18 is to comply with the Act’s requirement in order to renew the import ban for another year, i.e. until July 28, 2006. An identical resolution (H.J. Res. 52) was passed by the House on June 21, 2005 by a recorded vote of 432–2. H.J. Res. 52 was placed on the Senate Calendar on June 22, 2005.

3. PROCEDURES FOR RENEWING THE IMPORT RESTRICTIONS CONTAINED IN THE BURMESE FREEDOM AND DEMOCRACY ACT OF 2003

Section 9(c)(2)(B) of the Act incorporates the procedures set forth in section 152(b), (c), (d), (e), and (f) of the Trade Act of 1974 (19 U.S.C. 2192(b), (c), (d), (e), and (f)), for consideration of a renewal resolution to renew the import ban for another year.

Pursuant to those procedures, a renewal resolution introduced in the Senate shall be referred to the Finance Committee, which is afforded 30 days in which the Senate is in session to consider and report the resolution. A renewal resolution is not amendable. If the Committee does not report the resolution within that period, it is in order for any Member favoring the resolution to move to discharge the Committee from further consideration of the resolution.

If, as in this case, a renewal resolution is introduced in the Senate before receipt of an identical resolution from the House, and the House passes its resolution before the Committee reports the Senate measure, then upon receipt of the House-passed measure the House resolution shall be placed on the Senate calendar and the Committee shall continue to report the Senate measure or be discharged from further consideration of the Senate measure, as noted. After the Committee reports the Senate measure, the vote on passage in the Senate shall then be on the identical House-passed measure.

4. COMMITTEE CONSIDERATION OF S.J. RES. 18

The Committee considered S.J. Res. 18 in open executive session on June 28, 2005. The Chairman recessed that meeting until 9:00 a.m. on June 29, 2005. At that time, the Chairman reconvened the meeting and the Committee voted unanimously, by voice vote and

without amendment, to favorably report S.J. Res. 18, Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.

5. REPORT OF THE U.S. DEPARTMENT OF STATE ON THE TRADE
SANCTIONS AGAINST BURMA

On May 23, 2005, the State Department submitted to Congress a report regarding the trade sanctions against Burma, as required by section 8(b)(3) of the Burmese Freedom and Democracy Act of 2003. At the request of the Chairman, that report was made a part of the record of the Committee's consideration of S.J. Res. 18. The State Department report is reprinted below:

INFORMATION ON U.S. TRADE SANCTIONS AGAINST
BURMA

I. INTRODUCTION AND SUMMARY

Pursuant to section 8(b)(3) of P.L. 108-61 (the Burmese Freedom and Democracy Act of 2003), this report reviews bilateral and multilateral measures to promote human rights and democracy in Burma and assesses the effectiveness of the Act's trade provisions relative to the improvement of conditions in Burma and the furtherance or United States policy objectives.

Continued pressure by the U.S. Government sends a clear signal that the United States expects Burma's junta to take meaningful steps toward genuine national reconciliation and the establishment of democracy. Such pressure also serves as a strong symbol of support for the members of the democratic opposition, as they continue their struggle inside the country. Many of those who have fled from the oppression inside Burma have supported the U.S. position and have called for other countries to follow the U.S. lead.

The Administration continues diplomatic efforts, at all levels, to encourage other nations to sustain pressure on the Burmese junta. Some governments are able to offer little more than public support for a democratic transition, but it is through such sustained public messages that an atmosphere of change can come to Burma. U.S. punitive measures and calls for others to follow suit have not damaged U.S. relations with countries other than Burma. To date no other country has implemented U.S.-style economic sanctions. Cooperation on Burma issues with other members of the international community continues at the UN and in other multilateral fora, such as the International Labor Organization (ILO), and the Financial Action Task Force.

II. BILATERAL AND MULTILATERAL MEASURES

USG EFFORTS

The United States has a broad range of sanctions in place including those enacted in 2003 and renewed in 2004: a ban on all imports from Burma; a ban on the ex-

port of financial services from the United States or by U.S. persons to Burma; and, an asset freeze on certain named Burmese institutions. The United States also expanded existing visa restrictions to include the managers of state-owned enterprises and their immediate family members. The Treasury Department reports that it blocked over \$900,000 worth of transactions between October 2004 and March 2005. Over the same period, the Treasury Department issued 42 licenses authorizing the release of blocked funds or otherwise prohibited transactions. By July 30, 2003, U.S. banks maintaining correspondent accounts with Burmese banks had blocked the balances in those accounts, an amount that exceeds \$320,000. Other measures put in place against the Burmese junta before 2003 include a ban on new investment in Burma, a ban on arms sales to Burma, limits on humanitarian assistance to Burma, and a provision directing relevant U.S. officials to vote "no" on loans or assistance to Burma by international financial institutions.

Inside Burma, U.S. Embassy officials maintain frequent and active contacts with representatives of the democratic opposition and major ethnic groups to learn their views of the situation. Meetings with members of multilateral organizations and other diplomatic missions likewise help focus the international community's efforts in support of national reconciliation. Although Embassy officials have limited contact with Burmese Government officials due to the poor state of bilateral relations, even limited contact is important to urging reform and facilitating communication by all parties. The continued detention of senior officials of the NLD as well as over 1,300 political prisoners by the military junta blocks progress toward national reconciliation. The United States continues to call for the immediate and unconditional release of all political prisoners.

The United States coordinates with other members of the international community in support of democratic change in Burma. The United States has consistently cosponsored resolutions at the UN General Assembly and the UN Commission on Human Rights that condemn the human rights situation in Burma and call for national reconciliation. Such resolutions support the efforts of UN Secretary General Special Envoy Razali Ismail and UN Special Rapporteur for Human Rights Paulo Sergio Pinheiro. U.S. representatives participate in other UN discussions on Burma. Then-Ambassador Danforth sent a letter to UN Secretary General Annan in November 2004 urging action on Burma. Similarly, U.S. participants in meetings of the ILO have been supportive of ILO efforts to eliminate the use of forced labor in Burma and to respect fundamental workers' rights.

EFFORTS BY OTHER GOVERNMENTS

No other nation has imposed economic sanctions as severe as those imposed by the United States. Nonetheless, during 2003 and 2004, many states indicated concern for

the situation in Burma and instituted new or expanded measures to promote democracy and human rights. In 2003, the European Union (EU) expanded its existing visa and travel restrictions and its asset freeze list to include a broader set of Burmese who benefit from the oppressive policies of the junta. The EU also has in place a ban on arms sales and limits on assistance to the government. In April, the EU renewed measures announced in 2004, including a ban on extending credit to a list of Burmese-state run enterprises, and an even more restrictive visa ban. The EU also calls on its members to vote against assistance to Burma by international financial institutions, though they are not required to do so. The EU has traditionally drafted the annual General Assembly and Commission on Human Rights resolutions on Burma.

The United Kingdom has called on its companies to review their investments in Burma. Canada has also expressed concern for the lack of progress in Burma and imposed visa and travel restrictions on Burmese officials following the May 30, 2003 attack on Aung San Suu Kyi and her supporters.

Norway has sanctions similar to the EU, banning arms sales and enforcing a broad visa ban and asset freeze. In addition, Norway has been a supporter of the Burmese exile movement and hosts a radio service dedicated to providing uncensored information to those inside Burma.

Japan has frozen all new development assistance to the government in response to the May 30 attacks. However, Japan does continue funding, on a case-by-case basis, certain humanitarian programs, democracy capacity-building projects, and those projects supporting economic structural reform. Senior Japanese officials, including Prime Minister Koizumi, have called for the release of Aung San Suu Kyi and progress toward democratization.

Since May 30, 2003 Australia has deferred its recurring human rights training program and put certain agricultural assistance programs on hold. Australian officials have also called publicly for Aung San Suu Kyi's release.

The majority of ASEAN members continue to consider events in Burma to be an internal matter, although there are indications some ASEAN governments are pressing Burmese leaders on democracy behind the scenes. The United States continues its dialogue with countries in the region and has made clear the important role that ASEAN has to play in encouraging reform. Administration officials have noted to ASEAN counterparts that the United States will not send senior representatives to ASEAN meetings hosted by Burma absent significant political reform.

While we share with Thailand the goal of advancing democracy in Burma, our approaches differ. Thailand is unlikely to change its national policy of engagement or adopt sanctions against Rangoon. Thailand, however, has played a critical role for many years as a refuge to Burmese fleeing their country, and we have stressed to the Thai the importance of continuing to fulfill this role and supporting

UNHCR in its work with Burmese refugees. The “Bangkok Process,” organized by Thailand in 2003, was a planned series of meetings of interested governments discussing the political situation in Burma with the Burmese Government. It is now moribund due to Burma’s refusal to attend the meeting scheduled for April 2004.

China continues to be Burma’s primary financial, and one of its primary military, supporters. Chinese officials participated in the Bangkok Process, though they did not make any public statements critical of the government’s presentation. China has, however, expressed support for national reconciliation. We have raised our concerns about Burma in discussions with China.

India has neither provided strong public support for the democratic opposition nor called for an improvement in the human rights situation. Since the 1990s, India has vied with China for influence in Burma, sending high-level delegations, including a July 2003 visit by the Commerce Minister and a November 2003 visit by the Vice President, and offering significant financial and diplomatic support. Senior General Than Shwe paid a state visit to India in October 2004, during which several economic agreements and a Memorandum of Understanding on Non-Traditional Security were signed. Burma has also cooperated with India on the question of Indian insurgent groups operating out of Burmese territory.

UNITED NATIONS EFFORTS

The United States supports the work UN Special Envoy Razali Ismail and UN Special Rapporteur Paulo Sergio Pinheiro. However, neither has been allowed to visit Burma in well over a year. Secretary General Kofi Annan hosted a meeting with interested governments in September 2004 to discuss the situation on the ground in Burma. The Secretary General has also issued a number of statements calling upon the Burmese authorities to include the democratic opposition in the National Convention and to release all political prisoners.

The UN country team inside Burma has focused its efforts on a range of humanitarian issues. The United States backs UN initiatives to address the HIV/AIDS epidemic, support returned refugees, and fight narcotics. The UN High Commissioner for Refugees (UNHCR) provides protection and humanitarian assistance for the communities of Muslim Burmese in Northern Rakhine State [Rohingya] who have returned to Burma after fleeing to Bangladesh in 1991. UNHCR representatives continued efforts in eastern Burma to assess conditions for the large-scale return of refugees from Thailand. U.S. officials in Rangoon maintain close communication with UN counterparts.

III. EFFECTS OF TRADE-RELATED MEASURES

POLITICAL AND ECONOMIC SITUATION

The junta continues to follow its seven-point “roadmap to democracy,” which it announced allowing international pressure, including new U.S. trade and financial sanctions, in 2003. A key component of the roadmap is the National Convention to draft a new constitution. The junta hand-picked pro-regime delegates to attend the Convention, refused to include the NLD or pro-democracy groups, and prohibited free and open debate. The Convention’s most recent session adjourned on March 31, 2005. Absent the participation of the democratic opposition and ethnic minority political groups, the National Convention does not reflect the true political aspirations of the Burmese people, nor does it serve as a real forum for the meaningful dialogue that is needed to achieve genuine national reconciliation. Given these deep flaws, any constitution that emerges from the National Convention, and any subsequent referendum or general election would by extension lack legitimacy, and would not constitute meaningful steps toward the establishment of democracy in Burma. The junta has not announced a timetable for a transition to democracy.

In December 2004, the junta extended the detention of Aung San Suu Kyi for an additional year, and restricted her access to medical care and contacts with the outside world, leaving her virtually incommunicado. In February 2005, authorities also extended the detention of National League for Democracy Vice Chairman U Tin Oo, and arrested Hkun Htun Oo, head of the Shan Nationalities League for Democracy—Burma’s second largest political party.

In recent months, there have been limited contacts between the military junta and Burma’s largest remaining ethnic insurgent group, the Karen National Union (KNU). If a final agreement between the parties is reached, it could end over five decades of conflict, and could open up Karen and Mon states for badly needed international economic and humanitarian assistance and the eventual voluntary repatriation of thousands of refugees from Thailand with UNHCR involvement and the return home of thousands of internally displaced persons. Over twenty groups have concluded cease-fire agreements with the junta.

The Burmese junta’s dismal economic policies have led to widespread poverty and the flight of most foreign investors from the country. Likewise, Burma’s dreadful employment situation reflects decades of economic mismanagement by the Burmese Government. However, the 2003 U.S. ban on Burmese imports had an impact on at least one sector of the economy: the garment industry. The result was the closure of more than 100 garment factories, which had already been in dire economic straits before losing the U.S. market. There was an initial estimated loss of around 50,000 to 60,000 jobs. However, new orders from importers in EU member countries, Canada and Latin

America helped remaining factories continue production and factories that had previously closed to re-hire some workers.

HUMAN RIGHTS

Despite the Burmese Government's purported desire to make progress toward democracy, its extremely poor human rights record has worsened over the past year, and it has continued to commit serious abuses. The State Department produces an annual report on the human rights situation in Burma. In 2004, the report noted that the Burmese Government's extremely poor human rights record continued to deteriorate. The junta extended for at least another year the unjustified detentions of Nobel Peace Prize Laureate and leader of the National League for Democracy (NLD) Aung San Suu Kyi and NLD Vice Chair U Tin Oo. The report also noted that citizens of Burma still do not have the right to change their government, and that security forces have continued to commit extrajudicial killings and rape, forcibly relocate persons, use forced labor, and reestablish forced conscription of the civilian population into militia units. The military junta continues to be hostile to all forms of political opposition. With the exception of its Rangoon headquarters, all of the NLD's offices remain closed. Arrests and disappearances of political activists continue, and members of the security forces torture, beat, and otherwise abuse prisoners and detainees. The government has allowed two visits by Amnesty International (the latest in 2003) and maintained cooperation with the International Committee of the Red Cross.

Our expanded sanctions represent a clear and powerful expression of American opposition to the developments in Burma over the past two years and signal strong support for the pro-democracy movement. Sanctions are a key component of our policy in bringing democracy to Burma and have been a key source of support for the morale of many democracy activists.

IV. EFFECTS OF SANCTIONS POLICY ON BROADER POLICY INTERESTS AND RELATIONS

U.S. steadfastness sends a clear signal to the junta of U.S. support for change. The measures in place have the broad backing of Burmese democracy activists.

Although the EU and others have taken some steps, no other country has taken measures as strong as those of the United States. We continue diplomatic efforts at all levels to urge other countries to adopt broad sanctions similar to ours or other targeted approaches to dealing with Burma. We have found that many in the international community have a different view on how best to achieve our shared goals in Burma.

The trade-related sanctions implemented pursuant to the Burmese Freedom and Democracy Act of 2003 have

had a limited impact on U.S. relations with other nations. Although some foreign businesses and their representative embassies have complained about the impact on their operations, all who have invested in Burma have done so recognizing the difficult operating environment and overall poor economic climate fostered by the junta. Furthermore, many U.S. and other companies had already pulled out of Burma prior to the passage of the Burmese Freedom and Democracy Act of 2003.

The NLD remains very supportive of U.S. sanctions and urges additional steps to pressure the government. However, some other opposition politicians have questioned whether the sanctions have any chance of success without the participation of ASEAN and other regional countries and, if not, whether they are worth the pain caused to Burmese workers.

CONCLUSION

International pressure and support for the Burmese democracy movement continues to be essential for promoting change in Burma. However, the import ban implemented in 2003 would be far more effective if countries importing Burma's high-value exports (such as natural gas and timber), which also tend to have closer economic links with the SPDC, would join us in our actions. Other U.S. measures, such as the ban on new investment in Burma and the ban on the export of financial services to Burma, would also be more effective were the EU and others to take similar steps. The Administration remains unwavering in its support for the establishment of democracy and a greatly improved human rights situation in Burma.

II. BUDGETARY IMPACT OF THE JOINT RESOLUTION

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 12, 2005.

Hon. CHARLES E. GRASSLEY,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S.J. Res. 18, approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Emily Schlect.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S.J. Res. 18—Approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003

Summary: S.J. Res. 18 would renew for one year the ban of all imports from Burma. The ban was originally enacted as the Burmese Freedom and Democracy Act of 2003 (P.L. 108–61) and was set to expire on July 28, 2004. Public Law 108–272 renewed the ban for one year through its current expiration on July 28, 2005. The import restrictions may be lifted if the State Peace and Development Council (SPDC), the military regime of Burma, has made substantial and measurable progress to end violations of human rights, implemented a democratic government, and met its obligations under international counter-narcotics agreements. The President also would have the authority to terminate the restrictions upon the request of a democratically elected government in Burma or waive them in the national interest. CBO estimates that extending the ban on U.S. imports from Burma would reduce federal revenues by less than \$500,000 in 2005 and by \$1 million in 2006, with no effect thereafter. CBO estimates enacting S.J. Res. 18 would not affect federal spending.

By renewing the ban on all imports from Burma, S.J. Res. 18 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO cannot estimate the cost of those mandates for two reasons. First, information on the value of lost profits to importers resulting from the ban are not available. Second, UMRA does not specify whether CBO should measure the cost of extending a mandate relative to the mandate’s current costs or assume that the mandate will expire and measure the costs of the mandate’s extension as if the requirement were new. For those reasons, CBO cannot determine whether the aggregate direct cost of the mandates would exceed the annual threshold for private-sector mandates established in UMRA (\$123 million in 2005, adjusted annually for inflation).

S.J. Res. 18 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S.J. Res. 18 is shown in the following table.

	By fiscal year, in millions of dollars—					
	2005	2006	2007	2008	2009	2010
CHANGES IN REVENUES						
Estimated Revenues	(¹)	–1	0	0	0	0

¹ Loss of less than \$500,000.

Basis of estimate: Under S.J. Res. 18, the President would have the authority to lift or waive the ban that would be imposed by the resolution. For this estimate, CBO assumes that the President would not exercise this authority before the termination of the one-year ban.

Based on data from the U.S. International Trade Commission on recent U.S. imports from Burma, information from several government agencies, and CBO’s most recent forecast of total U.S. imports, CBO estimates that enacting S.J. Res. 18 would reduce federal revenues by less than \$500,000 in 2005 and by \$1 million in 2006, net of income and payroll tax offsets.

In recent years, over half of all U.S. imports from Burma have been knitted or crocheted clothing and apparel goods. The remaining imports include apparel items not knitted or crocheted, certain types of fish and crustaceans, goods made of wood, certain precious and semiprecious stones and metals, and woven fabrics and tapestries. In 2001 and 2002, roughly 80 percent of duties collected on these imports came from knitted and crocheted articles. CBO assumes that most of the banned imports would be replaced with imports from other countries.

The President could remove the ban on imports upon the request of a democratically elected government in Burma or if he were to determine and notify Congress that to do so is in the national interest. Should the ban be lifted, U.S. companies would be allowed to resume importation of goods produced, manufactured, grown, or assembled in Burma. It is unclear whether or when the President would exercise the authority to lift or waive the ban on imports from Burma. If such an action were taken during the 2005–2006 period, the impact on federal revenues would be reduced accordingly.

Estimated impact on the private sector: By renewing the ban on all imports from Burma, S.J. Res. 18 would impose private-sector mandates as defined in UMRA. CBO cannot estimate the cost of those mandates for two reasons. First, information on the value of lost profits to importers resulting from the ban are not available. Second, UMRA does not specify whether CBO should measure the cost of extending a mandate relative to the mandate's current costs or assume that the mandate will expire and measure the costs of the mandate's extension as if the requirement were new. For those reasons, CBO cannot determine whether the aggregate direct cost of the mandates would exceed the annual threshold for private-sector mandates established in UMRA (\$123 million in 2005, adjusted annually for inflation).

Estimated impact on State, local, and tribal governments: S.J. Res. 18 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Revenues: Emily Schlect. Impact on State, Local, and Tribal Governments: Melissa Merrell. Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: G. Thomas Woodward, Assistant Director for Tax Analysis.

III. REGULATORY IMPACT OF THE JOINT RESOLUTION AND OTHER MATTERS

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee states that the resolution will not significantly regulate any individuals or businesses, will not affect the personal privacy of individuals, and will result in no significant additional paperwork.

The following information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (UMRA) (Pub. L. No. 104–04). The Committee has reviewed the provisions of S.J. Res. 18 as approved by the Committee on June 29, 2005. In accordance with the requirement of Pub. L. No. 104–04, the Committee has determined that the bill contains no intergovernmental man-

dates, as defined in the UMRA, and would not affect the budgets of State, local, or tribal governments.

IV. CHANGES IN EXISTING LAW

Pursuant to paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee finds no changes in existing law made by S.J. Res. 18, as ordered reported.

