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APPROVING THE RENEWAL OF IMPORT RESTRICTIONS CONTAINED IN THE BURMESE FREEDOM AND DEMOCRACY ACT OF 2003

JUNE 18, 2004.—Ordered to be printed

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

REPORT

[To accompany S.J. Res. 39]

[Including cost estimate of the Congressional Budget Office]

The Committee on Finance, to which was referred the joint resolution (S.J. Res. 39) 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.

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I. REPORT AND OTHER MATTERS OF THE COMMITTEE

A. Report of the Committee on Finance

The Committee on Finance, to which was referred the resolution (S.J. Res. 39) to approve the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, having considered the same, reports favorably thereon 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 (1,300 estimated imprisoned in November 2003), 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, and that the SPDC has 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 1 year from the date of enactment unless a joint resolution ("renewal resolution") approving a 1-year renewal of the import ban is enacted into law prior to the first anniversary of the date of enactment and each anniversary date thereafter. The purpose of S.J. Res. 39 is to comply with this requirement in order to renew the import ban for another year, i.e. until July 28, 2005. An identical resolution (H.J. Res. 97) was passed by the House on June 14, 2004 by a recorded vote of 372–2. H.J. Res. 97 was placed on the Senate Calendar on June 15, 2004.

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 in which 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. 39

The Committee considered S.J. Res. 39 in open executive session on June 15, 2004. The Committee voted unanimously, and without amendment, to favorably report S.J. Res. 39, Approving Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.

Approved by rollcall vote, a quorum being present, 21 Ayes, 0 Nays. Ayes: Mr. Grassley, Mr. Hatch, Mr. Nickles, Mr. Lott, Ms. Snowe, Mr. Kyl, Mr. Thomas, Mr. Santorum, Mr. Frist, Mr. Smith, Mr. Bunning, Mr. Baucus, Mr. Rockefeller, Mr. Daschle, Mr.

Breaux, Mr. Conrad, Mr. Graham, Mr. Jeffords (proxy), Mr. Bingaman, Mr. Kerry (proxy), Mrs. Lincoln.

5. Report of the U.S. Department of State on the trade sanctions against Burma

On April 27, 2004, 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. 39. The State Department report is reprinted below:

REPORT ON U.S. TRADE SANCTIONS AGAINST BURMA

Introduction and summary

Pursuant to section 8(b)(3) of Pub. 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 of United States policy objectives.

Over the past months, the import ban, combined with an array of other sanctions, has helped bring about some notable political responses. The Act initially encouraged ASEAN nations to take a critical stance on Burma. These pressures were likely a factor behind the junta's August announcement of a seven-step process for a democratic transition and the appointment of a new Prime Minister. While the Burmese government has released the majority of those arrested in connection with its attack on the National League for Democracy (NLD) on May 30, 2003, it has not yet released NLD leader and Nobel Peace Prize Laureate Aung San Suu Kyi and one other senior NLD leader.

Continued pressure by the U.S. government sends a clear signal to the junta that the U.S. seeks reform. 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 countries' governments are unlikely to do more than offer 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.

Bilateral and multilateral measures

USG efforts

The U.S. has a broad range of sanctions in place including those enacted in 2003: a ban on all imports from Burma, a ban on the export of financial services by U.S. persons to Burma, and an asset freeze on certain named Burmese institutions. The U.S. also expanded existing visa restrictions to include the managers of state-owned enterprises and their immediate family members. The Treasury Department reports that it has blocked 513.3 million worth of transactions since prohibiting the provision of financial services to Burma. Of that amount, $1.7 million has been subsequently licensed by the U.S. 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 "no" vote on any loan or assistance to Burma by international financial institutions.

The State Department also produces an annual report on the human rights situation in Burma. In 2003, the report noted that the Government's extremely poor human rights record had worsened, particularly highlighting the premeditated, government-sponsored, May 2003 attack on Aung San Suu Kyi and her supporters, in which government-affiliated agents killed as many as 70 pro-democracy activists. The report also noted that citizens of Burma still do not have the right to change their government, and that security forces continued to commit extrajudicial killings and rape, forcibly relocate persons, use forced labor, and have reestablished forced conscription of the civilian population into militia units. Other annual reports detail U.S. concerns for the situation in Burma in such areas as trafficking in persons, international religious freedom, and the control of narcotics.

In Burma itself, 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 U.S.-Burma 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 one thousand political prisoners by the military junta blocks progress toward national reconciliation. The U.S. has repeatedly called and continues to call for the immediate and unconditional release of all political prisoners.

The U.S. coordinates with other members of the international community in support of democratic change in Burma. The U.S. has consistently co-sponsored 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 ongoing efforts of UN Special Envoy Razali Ismail and UN Special Rapporteur for Human

Rights Paulo Sergio Pinheiro. U.S. representatives participate in other UN discussions of Burma as part of the Informal Consultative Group on Burma and raised Burma at the Security Council under "Other Matters" in July 2003. Similarly, U.S. participants in the 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 implemented the same set of sanctions as the U.S., and none has adopted the new economic sanctions the U.S. put in place after the May 30 attack on Aung San Suu Kyi's motorcade. Nonetheless, over the last year many have 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 identify 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. The EU has traditionally drafted the annual General Assembly and Commission on Human Rights resolutions on Burma. EU "troika" visits to Burma have drawn attention to the continuing lack of progress on democracy and human rights issues. The United Kingdom has called on its companies to review their investments in Burma; two major British investors, British American Tobacco Company and Premier Oil, have sold their investments in the country to outside parties in the past year, and at least 18 UK companies cut ties with Burma in 2003.

Canada has also expressed concern for the lack of progress in Burma and imposed visa and travel restrictions on Burmese officials in the wake of May 30. Under Canadian government and popular pressure, major Canadian investor Ivanhoe Mines is reported to be considering selling its operations in the country to Chinese investors.

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 urgent 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, 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.

ASEAN nations issued an unprecedented call for change from fellow member state Burma at their June 2003 ministerial meeting. In mid-June, then Malaysian Prime Minister Mahathir issued a statement indicating the Burmese government's actions were creating a "dilemma for the [ASEAN] organization." However, at their

October 2003 meeting in Bali, ASEAN states took a different path and welcomed "positive developments" in Burma, including the junta's road map to democracy. The U.S. 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 there would not be high-level U.S. participation in ASEAN events hosted by the Burmese junta in 2006 unless the country adopted significant reforms.

While we share with Thailand the goal of advancing democracy in Burma, our approaches differ. Thailand is unlikely to change its policies 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 Royal Thai Government has also organized the "Bangkok Process," envisioned to be a series of meetings of interested governments discussing political reform with the Burmese government. At the initial December 2003 meeting, all participants except India called on the Burmese junta to release Aung San Suu Kyi and include the democratic opposition in the democratic reform process. Neither the United States nor Burmese opposition groups were invited to the initial meeting, although some European countries participated. The United States did not seek to participate in this meeting.

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, rational reconciliation and according to some observers, is encouraging reform in discussions with the Burmese government.

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. Burma has also cooperated with India on the question of Indian insurgent groups operating out of Burmese territory.

United Nations efforts

The U.S. supports the work of UN Special Envoy Razali Ismail and UN Special Rapporteur Paulo Sergio Pinheiro. Ambassador Razali continues his efforts to facilitate a dialogue toward national reconciliation among the parties in Burma. Special Rapporteur Pinheiro has drawn attention to the continuing human rights violations in Burma and called for the immediate and unconditional release of political prisoners and an investigation into the premeditated attacks on Aung San Suu Kyi in May 2003.

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. 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 recently gained access to areas in the east of the country to begin measures to create the necessary conditions for the large-scale return of refugees from Thailand. U.S. officials in Rangoon maintain close communication with UN counterparts.

Effects of trade-related measures

Political and economic situation

The U.S. trade-related sanctions have had an effect on the situation in Burma. Coincident with the June 4, 2003, introduction in the House and Senate of the Burmese Freedom and Democracy Act, U.S. embassies in ASEAN capitals made a strong demarche to the respective host governments. This in part led to statements critical of the junta's behavior made by individual ASEAN leaders and by the ASEAN leaders as a group during the June 2003 ministerial meeting in Phnom Penh. With this increasing pressure from Burma's closest allies, and the passage of the Act on July 28, 2003, the junta on August 30 publicly recognized the need for democracy with its "road map." In April 2004, the government issued invitations to a National Convention starting in May designed to draft a new constitution, taking up where the failed 1993–1996 National Convention left off. It is unclear to what extent, if any, the democratic opposition and ethnic groups have been involved in planning the Convention. For a constitutional convention to be successful, the political opposition and ethnic groups must support it and must be involved in preparations for it. We do not know whether participants will be able to voice their opinions or make changes to Convention documents. The junta has not announced an overall timetable for a transition to democracy.

In September 2003, Aung San Suu Kyi was moved from prison to house arrest, and in November, five of the NLD's most senior leaders were allowed out of their homes. Two more were released from detention in April 2004. Aung San Suu Kyi and one other senior NLD leader remain under house arrest. NLD officials who participated in the Convention in the mid-1990s have been invited to attend the one that will convene in May. The NLD Central Executive Committee has called for the procedures of the Convention to be in line "with democratic principles."

In recent months, the military junta and Burma's largest remaining ethnic insurgent group, the Karen National Union (KNU), entered into serious cease-fire negotiations. KNU leader General Bo Mya visited Rangoon in January, and subsequent talks in February helped to secure progress toward a lasting cease-fire. 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 return home of thousands of internally displaced persons. Over twenty groups have concluded cease-fire agreements with the junta.

It is the Burmese junta's dismal economic policies that 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 govern-

ment. However, the 2003 U.S. ban on Burmese imports had an impact on at least one sector of the economy: the garment industry. More than 100 garment factories, already in dire economic straits, that had relied on exports to the United States have now closed. There has been an estimated loss of around 50,000 to 60,000 jobs. However, new orders from importers in EU member countries helped remaining factories continue production.

Human rights

Despite the Burmese Government's stated desire to make progress toward democracy, its extremely poor human rights record has worsened over the past year, and it continued to commit serious abuses. Citizens still do not have the right to change their government. Security forces continued to commit extrajudicial killings and rape, forcibly relocate persons, and use forced labor. The military junta continues to be hostile to all forms of political opposition. After the May 30 attack, in which government-affiliated agents killed as many as 70 pro-democracy activists, the government cracked down severely on the NLD and shuttered all 300 NLD offices in Burma. 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 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 year 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.

Effects of sanctions policy on broader policy interests and relations

It is U.S. steadfastness that 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 similar to those of the U.S. We continue diplomatic efforts at all levels to urge other countries to adopt broad sanctions similar to ours or 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 limited impact on U.S. relations with other nations. Although some foreign businesses 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.

Conclusion

International pressure and support for the Burma democracy movement is 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 RESOLUTION

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 17, 2004.

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. 39, a joint resolution 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 Annabelle Bartsch.

Sincerely,

ELIZABETH M. ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

S.J. Res. 39—Approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003

Summary: S.J. Res. 39 would renew for one year the ban of all imports from Burma. The ban was enacted as the Burmese Freedom and Democracy Act of 2003 (P.L. 108–61) and is currently set to expire on July 28, 2004. 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 $2 million in 2004 and $10 million in 2005, with no effect thereafter. CBO estimates enacting S.J. Res. 39 would not affect federal spending.

By banning all imports from Burma, S.J. Res. 39 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Due to the lack of information on the value of lost profits to importers resulting from the ban, CBO cannot determine whether the aggregate direct cost of the mandates would ex-

ceed the annual threshold for private-sector mandates established in UMRA ($120 million in 2004, adjusted annually for inflation).

S.J. Res. 39 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. 39 is shown in the following table.

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
CHANGES IN REVENUES						
Estimated Revenues	−2	−10	0	0	0	0

Basis of estimate: Under S.J. Res. 39, 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. 39 would reduce federal revenues by $2 million in 2004 and $10 million in 2005, 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 a portion 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 2004–2005 period, the impact on federal revenues would be reduced accordingly.

Estimated impact on the private sector: By banning all Burmese imports, S.J. Res. 39 would impose private-sector mandates as defined in UMRA. Specifically, the bill would ban all imports from Burma. Due to the lack of information on the value of lost profits to importers resulting from the ban, CBO cannot determine whether the aggregate direct cost of the mandates would exceed the annual threshold for private-sector mandates established in UMRA ($120 million in 2004, adjusted annually for inflation).

Estimated impact on state, local, and tribal governments: S.J. Res. 39 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Previous CBO Estimate: On June 14, 2004, CBO transmitted a cost estimate for H.J. Res. 97, as introduced in the House of Representatives on June 3, 2004. The two versions of the renewal of the import restrictions are the same and, therefore, CBO's estimates of the effects on federal revenues are the same.

Estimate prepared by: Federal Revenues: Annabelle Bartsch; Impact on State, Local, and Tribal Governments: Melissa Merrell; and Impact on the Private Sector: Paige Piper Bach.

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

III. REGULATORY IMPACT OF THE 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. 39 as approved by the Committee on June 15, 2004. In accordance with the requirement of Pub. L. No. 104–04, the Committee has determined that the bill contains no intergovernmental mandates, 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. 39, as ordered reported.

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I. REPORT AND OTHER MATTERS OF THE COMMITTEE

A. Report of the Committee on Finance

The Committee on Finance, to which was referred the resolution (S.J. Res. 39) to approve the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, having considered the same, reports favorably thereon 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 (1,300 estimated imprisoned in November 2003), widespread physical abuses against civilians, the impressment of civilians into military service, and the conscription of thousands of civilians for work on economic projects.

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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, and that the SPDC has 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 1 year from the date of enactment unless a joint resolution ("renewal resolution") approving a 1-year renewal of the import ban is enacted into law prior to the first anniversary of the date of enactment and each anniversary date thereafter. The purpose of S.J. Res. 39 is to comply with this requirement in order to renew the import ban for another year, i.e. until July 28, 2005. An identical resolution (H.J. Res. 97) was passed by the House on June 14, 2004 by a recorded vote of 372–2. H.J. Res. 97 was placed on the Senate Calendar on June 15, 2004.

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 in which 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. 39

The Committee considered S.J. Res. 39 in open executive session on June 15, 2004. The Committee voted unanimously, and without amendment, to favorably report S.J. Res. 39, Approving Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.

Approved by rollcall vote, a quorum being present, 21 Ayes, 0 Nays. Ayes: Mr. Grassley, Mr. Hatch, Mr. Nickles, Mr. Lott, Ms. Snowe, Mr. Kyl, Mr. Thomas, Mr. Santorum, Mr. Frist, Mr. Smith, Mr. Bunning, Mr. Baucus, Mr. Rockefeller, Mr. Daschle, Mr.

Breaux, Mr. Conrad, Mr. Graham, Mr. Jeffords (proxy), Mr. Bingaman, Mr. Kerry (proxy), Mrs. Lincoln.

5. Report of the U.S. Department of State on the trade sanctions against Burma

On April 27, 2004, 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. 39. The State Department report is reprinted below:

REPORT ON U.S. TRADE SANCTIONS AGAINST BURMA

Introduction and summary

Pursuant to section 8(b)(3) of Pub. 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 of United States policy objectives.

Over the past months, the import ban, combined with an array of other sanctions, has helped bring about some notable political responses. The Act initially encouraged ASEAN nations to take a critical stance on Burma. These pressures were likely a factor behind the junta's August announcement of a seven-step process for a democratic transition and the appointment of a new Prime Minister. While the Burmese government has released the majority of those arrested in connection with its attack on the National League for Democracy (NLD) on May 30, 2003, it has not yet released NLD leader and Nobel Peace Prize Laureate Aung San Suu Kyi and one other senior NLD leader.

Continued pressure by the U.S. government sends a clear signal to the junta that the U.S. seeks reform. 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 countries' governments are unlikely to do more than offer 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.

Bilateral and multilateral measures

USG efforts

The U.S. has a broad range of sanctions in place including those enacted in 2003: a ban on all imports from Burma, a ban on the export of financial services by U.S. persons to Burma, and an asset freeze on certain named Burmese institutions. The U.S. also expanded existing visa restrictions to include the managers of state-owned enterprises and their immediate family members. The Treasury Department reports that it has blocked 513.3 million worth of transactions since prohibiting the provision of financial services to Burma. Of that amount, $1.7 million has been subsequently licensed by the U.S. 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 "no" vote on any loan or assistance to Burma by international financial institutions.

The State Department also produces an annual report on the human rights situation in Burma. In 2003, the report noted that the Government's extremely poor human rights record had worsened, particularly highlighting the premeditated, government-sponsored, May 2003 attack on Aung San Suu Kyi and her supporters, in which government-affiliated agents killed as many as 70 pro-democracy activists. The report also noted that citizens of Burma still do not have the right to change their government, and that security forces continued to commit extrajudicial killings and rape, forcibly relocate persons, use forced labor, and have reestablished forced conscription of the civilian population into militia units. Other annual reports detail U.S. concerns for the situation in Burma in such areas as trafficking in persons, international religious freedom, and the control of narcotics.

In Burma itself, 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 U.S.-Burma 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 one thousand political prisoners by the military junta blocks progress toward national reconciliation. The U.S. has repeatedly called and continues to call for the immediate and unconditional release of all political prisoners.

The U.S. coordinates with other members of the international community in support of democratic change in Burma. The U.S. has consistently co-sponsored 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 ongoing efforts of UN Special Envoy Razali Ismail and UN Special Rapporteur for Human

Rights Paulo Sergio Pinheiro. U.S. representatives participate in other UN discussions of Burma as part of the Informal Consultative Group on Burma and raised Burma at the Security Council under "Other Matters" in July 2003. Similarly, U.S. participants in the 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 implemented the same set of sanctions as the U.S., and none has adopted the new economic sanctions the U.S. put in place after the May 30 attack on Aung San Suu Kyi's motorcade. Nonetheless, over the last year many have 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 identify 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. The EU has traditionally drafted the annual General Assembly and Commission on Human Rights resolutions on Burma. EU "troika" visits to Burma have drawn attention to the continuing lack of progress on democracy and human rights issues. The United Kingdom has called on its companies to review their investments in Burma; two major British investors, British American Tobacco Company and Premier Oil, have sold their investments in the country to outside parties in the past year, and at least 18 UK companies cut ties with Burma in 2003.

Canada has also expressed concern for the lack of progress in Burma and imposed visa and travel restrictions on Burmese officials in the wake of May 30. Under Canadian government and popular pressure, major Canadian investor Ivanhoe Mines is reported to be considering selling its operations in the country to Chinese investors.

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 urgent 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, 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.

ASEAN nations issued an unprecedented call for change from fellow member state Burma at their June 2003 ministerial meeting. In mid-June, then Malaysian Prime Minister Mahathir issued a statement indicating the Burmese government's actions were creating a "dilemma for the [ASEAN] organization." However, at their

October 2003 meeting in Bali, ASEAN states took a different path and welcomed "positive developments" in Burma, including the junta's road map to democracy. The U.S. 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 there would not be high-level U.S. participation in ASEAN events hosted by the Burmese junta in 2006 unless the country adopted significant reforms.

While we share with Thailand the goal of advancing democracy in Burma, our approaches differ. Thailand is unlikely to change its policies 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 Royal Thai Government has also organized the "Bangkok Process," envisioned to be a series of meetings of interested governments discussing political reform with the Burmese government. At the initial December 2003 meeting, all participants except India called on the Burmese junta to release Aung San Suu Kyi and include the democratic opposition in the democratic reform process. Neither the United States nor Burmese opposition groups were invited to the initial meeting, although some European countries participated. The United States did not seek to participate in this meeting.

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, rational reconciliation and according to some observers, is encouraging reform in discussions with the Burmese government.

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. Burma has also cooperated with India on the question of Indian insurgent groups operating out of Burmese territory.

United Nations efforts

The U.S. supports the work of UN Special Envoy Razali Ismail and UN Special Rapporteur Paulo Sergio Pinheiro. Ambassador Razali continues his efforts to facilitate a dialogue toward national reconciliation among the parties in Burma. Special Rapporteur Pinheiro has drawn attention to the continuing human rights violations in Burma and called for the immediate and unconditional release of political prisoners and an investigation into the premeditated attacks on Aung San Suu Kyi in May 2003.

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. 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 recently gained access to areas in the east of the country to begin measures to create the necessary conditions for the large-scale return of refugees from Thailand. U.S. officials in Rangoon maintain close communication with UN counterparts.

Effects of trade-related measures

Political and economic situation

The U.S. trade-related sanctions have had an effect on the situation in Burma. Coincident with the June 4, 2003, introduction in the House and Senate of the Burmese Freedom and Democracy Act, U.S. embassies in ASEAN capitals made a strong demarche to the respective host governments. This in part led to statements critical of the junta's behavior made by individual ASEAN leaders and by the ASEAN leaders as a group during the June 2003 ministerial meeting in Phnom Penh. With this increasing pressure from Burma's closest allies, and the passage of the Act on July 28, 2003, the junta on August 30 publicly recognized the need for democracy with its "road map." In April 2004, the government issued invitations to a National Convention starting in May designed to draft a new constitution, taking up where the failed 1993–1996 National Convention left off. It is unclear to what extent, if any, the democratic opposition and ethnic groups have been involved in planning the Convention. For a constitutional convention to be successful, the political opposition and ethnic groups must support it and must be involved in preparations for it. We do not know whether participants will be able to voice their opinions or make changes to Convention documents. The junta has not announced an overall timetable for a transition to democracy.

In September 2003, Aung San Suu Kyi was moved from prison to house arrest, and in November, five of the NLD's most senior leaders were allowed out of their homes. Two more were released from detention in April 2004. Aung San Suu Kyi and one other senior NLD leader remain under house arrest. NLD officials who participated in the Convention in the mid-1990s have been invited to attend the one that will convene in May. The NLD Central Executive Committee has called for the procedures of the Convention to be in line "with democratic principles."

In recent months, the military junta and Burma's largest remaining ethnic insurgent group, the Karen National Union (KNU), entered into serious cease-fire negotiations. KNU leader General Bo Mya visited Rangoon in January, and subsequent talks in February helped to secure progress toward a lasting cease-fire. 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 return home of thousands of internally displaced persons. Over twenty groups have concluded cease-fire agreements with the junta.

It is the Burmese junta's dismal economic policies that 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 govern-

ment. However, the 2003 U.S. ban on Burmese imports had an impact on at least one sector of the economy: the garment industry. More than 100 garment factories, already in dire economic straits, that had relied on exports to the United States have now closed. There has been an estimated loss of around 50,000 to 60,000 jobs. However, new orders from importers in EU member countries helped remaining factories continue production.

Human rights

Despite the Burmese Government's stated desire to make progress toward democracy, its extremely poor human rights record has worsened over the past year, and it continued to commit serious abuses. Citizens still do not have the right to change their government. Security forces continued to commit extrajudicial killings and rape, forcibly relocate persons, and use forced labor. The military junta continues to be hostile to all forms of political opposition. After the May 30 attack, in which government-affiliated agents killed as many as 70 pro-democracy activists, the government cracked down severely on the NLD and shuttered all 300 NLD offices in Burma. 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 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 year 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.

Effects of sanctions policy on broader policy interests and relations

It is U.S. steadfastness that 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 similar to those of the U.S. We continue diplomatic efforts at all levels to urge other countries to adopt broad sanctions similar to ours or 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 limited impact on U.S. relations with other nations. Although some foreign businesses 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.

Conclusion

International pressure and support for the Burma democracy movement is essential for promoting change in Bunna. 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.

11. BUDGETARY IMPACT OF THE RESOLUTION

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 17, 2004.

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. 39, a joint resolution 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 Annabelle Bartsch.

Sincerely,

ELIZABETH M. ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

S.J. Res. 39—Approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003

Summary: S.J. Res. 39 would renew for one year the ban of all imports from Burma. The ban was enacted as the Burmese Freedom and Democracy Act of 2003 (P.L. 108–61) and is currently set to expire on July 28, 2004. 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 $2 million in 2004 and $10 million in 2005, with no effect thereafter. CBO estimates enacting S.J. Res. 39 would not affect federal spending.

By banning all imports from Burma, S.J. Res. 39 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Due to the lack of information on the value of lost profits to importers resulting from the ban, CBO cannot determine whether the aggregate direct cost of the mandates would ex-

ceed the annual threshold for private-sector mandates established in UMRA ($120 million in 2004, adjusted annually for inflation).

S.J. Res. 39 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. 39 is shown in the following table.

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
CHANGES IN REVENUES						
Estimated Revenues	−2	−10	0	0	0	0

Basis of estimate: Under S.J. Res. 39, 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. 39 would reduce federal revenues by $2 million in 2004 and $10 million in 2005, 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 a portion 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 2004–2005 period, the impact on federal revenues would be reduced accordingly.

Estimated impact on the private sector: By banning all Burmese imports, S.J. Res. 39 would impose private-sector mandates as defined in UMRA. Specifically, the bill would ban all imports from Burma. Due to the lack of information on the value of lost profits to importers resulting from the ban, CBO cannot determine whether the aggregate direct cost of the mandates would exceed the annual threshold for private-sector mandates established in UMRA ($120 million in 2004, adjusted annually for inflation).

Estimated impact on state, local, and tribal governments: S.J. Res. 39 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Previous CBO Estimate: On June 14, 2004, CBO transmitted a cost estimate for H.J. Res. 97, as introduced in the House of Representatives on June 3, 2004. The two versions of the renewal of the import restrictions are the same and, therefore, CBO's estimates of the effects on federal revenues are the same.

Estimate prepared by: Federal Revenues: Annabelle Bartsch; Impact on State, Local, and Tribal Governments: Melissa Merrell; and Impact on the Private Sector: Paige Piper Bach.

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

III. REGULATORY IMPACT OF THE 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. 39 as approved by the Committee on June 15, 2004. In accordance with the requirement of Pub. L. No. 104–04, the Committee has determined that the bill contains no intergovernmental mandates, 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. 39, as ordered reported.

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