



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 27, 2017

S. 1221 **Countering Russian Influence in Europe and Eurasia Act of 2017**

*As reported by the Senate Committee on Foreign Relations
on June 6, 2017*

SUMMARY

S. 1221 would authorize the appropriation of \$530 million over the 2018-2019 period to counter Russian influence in Europe and Eurasia and to promote energy security in Ukraine. The bill also would require the Department of State to establish a pilot program to hire Foreign Service Officers (FSOs) to work on governance and anticorruption activities in those regions. Finally, the bill would require several reports and briefings to the Congress. In total, CBO estimates that implementing the bill would cost \$441 million over the 2018-2022 period, assuming appropriation of the authorized and necessary amounts.

Enacting S. 1221 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 1221 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1221 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 1221 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars						2018- 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Fund to Counter Russian Influence							
Authorization Level	0	250	250	0	0	0	500
Estimated Outlays	0	8	50	118	141	99	415
Energy Security in Ukraine							
Estimated Authorization Level	0	15	15	0	0	0	30
Estimated Outlays	0	1	4	8	8	6	26
Total Changes							
Estimated Authorization Level	0	265	265	0	0	0	530
Estimated Outlays	0	8	54	125	150	104	441

Note: Numbers may not add to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes S. 1221 will be enacted near the start of fiscal year 2018, that the specified and estimated amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical patterns for similar and existing programs.

Fund to Counter Russian Influence

Section 5 would authorize the appropriation of \$250 million in 2018 and 2019 for a fund to counter Russia’s influence in countries in Europe and Eurasia. The fund would be used for a wide variety of activities including protecting critical infrastructure and electoral systems from cyberattacks; combatting corruption; promoting the rule of law, participatory democratic institutions, independent media, and civil society; reducing dependence on Russian energy; and responding to humanitarian crises and instability.

Section 5 also would require the Department of State to establish a pilot program to hire additional FSOs to work on governance and anticorruption programs in countries in Europe and Eurasia. On the basis of information from the Administration, CBO estimates that each new FSO would cost \$600,000 in 2018. That amount includes training and other up-front costs; the average cost would decline to about \$500,000 in future years. CBO assumes that the department would implement the pilot program using amounts authorized for the fund.

Assuming appropriation of the specified amounts, CBO estimates that implementing that section would cost \$415 million over the 2018-2022 period. Public Law 115-31, the Consolidated Appropriations Act, 2017, made not less than \$100 million available for similar purposes.

Energy Security in Ukraine

Section 8 would authorize the appropriation of \$30 million over the 2018-2019 period to develop and implement a plan to promote energy security in Ukraine. Activities under the plan would include promoting new energy technology and practices, privatizing companies, procuring and transporting emergency fuel supplies, repairing facilities and equipment, and improving efficiency. CBO estimates that implementing that provision would cost \$26 million over the 2018-2022 period, assuming appropriation of the specified amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1221 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1221 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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