

S. 1102, Eastern Mediterranean Security and Energy Partnership Act of 2019

As reported by the Senate Committee on Foreign Relations on July 10, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	33	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

S. 1102 would authorize the Department of Energy (DOE) to establish the United States-Eastern Mediterranean Energy Center, which would conduct research and share information on issues related to offshore energy development in the region. On the basis of information from DOE and the costs of similar cooperative efforts, CBO estimates that it would cost a total of \$24 million over the 2020-2024 period to staff and operate that energy center.

The bill also would authorize the appropriation of about \$6 million over the 2020-2022 period for education and training programs for the armed forces of Greece and Cyprus and \$3 million in 2020 to allow Greece to purchase U.S. defense items through the Foreign Military Financing program. Outlays for those programs would total \$8 million over the 2020-2024 period.

Finally, S. 1102 would require the Administration to report to the Congress on energy security and cooperation in the eastern Mediterranean and on interference by Russia and other countries in Cyprus, Greece, and Israel. Using information about the costs of similar reports, CBO estimates that satisfying the reporting requirements in S. 1102 would cost less than \$500,000 over the 2019-2024 period.

In total, implementing the bill would cost \$33 million over the 2020-2024 period, CBO estimates (see Table 1). That spending would be subject to the appropriation of the estimated and specified authorizations.

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 1102

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
Energy Center							
Estimated Authorization	0	5	5	5	5	5	26
Estimated Outlays	0	1	7	5	5	5	24
Military Education and Training							
Authorization	0	2	2	3	0	0	6
Estimated Outlays	0	1	1	2	1	*	5
Foreign Military Financing							
Authorization	0	3	0	0	0	0	3
Estimated Outlays	0	*	1	1	1	*	3
Total Increases							
Estimated Authorization	0	10	7	8	5	5	36
Estimated Outlays	0	2	9	8	7	6	33

Components may not sum to totals because of rounding; * = between zero and \$500,000.

S. 1102 would allow the transfer of U.S. defense items to the government of Cyprus. Many transfers of defense items to foreign countries are financed through the Foreign Military Sales Trust Fund. That fund can receive and expend amounts without appropriation. Transfers to Cyprus have been prohibited since 1987 and CBO has no basis for estimating the number or value of transfers under the bill. However, because the program operates at no net cost to the federal government, CBO estimates that the net effect on direct spending over time from sales to the government of Cyprus would not be significant.

The CBO staff contacts for this estimate are Kathy Gramp (for energy programs) and Sunita D'Monte (for security assistance). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.