Congressional Budget Office
Cost Estimate

May 24, 2022

S. 977, No Oil Producing and Exporting Cartels Act of 2021

As ordered reported by the Senate Committee on the Judiciary on May 5, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	a	a	a
Revenues	a	a	a
Increase or Decrease (-) in the Deficit	a	a	a
Spending Subject to Appropriation (Outlays)	a	a	a

Statutory pay-as-you-go procedures apply?	**Yes**	**Mandate Effects**	
		Contains intergovernmental mandate?	**No**
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	**No**	Contains private-sector mandate?	**No**

a. CBO has no basis to estimate the budgetary effects of enacting S. 977.

S. 977 would seek to prohibit foreign states from working collectively to limit the production, set the price, or otherwise restrain the trading of petroleum and natural gas when such actions affect U.S. markets. The bill would authorize the Department of Justice (DOJ) to enforce the legislation by filing antitrust actions in federal courts. Under the bill, foreign states that restrain trade in petroleum and natural gas would not be immune from the judgment of U.S. courts under the doctrine of sovereign immunity.

CBO has no basis to predict whether DOJ would initiate antitrust actions against foreign states under the bill. The cost of investigating alleged antitrust violations like those that might be brought under S. 977 could cost millions of dollars per year, subject to the availability of appropriated funds.

Those prosecuted and convicted under S. 977 could be subject to criminal fines, thus the federal government might collect additional fines under the bill. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent without further appropriation action. Because enacting S. 977 could affect direct spending and revenues, pay-as-you-go procedures apply. CBO cannot estimate the magnitude of additional revenues and direct spending that might result from the bill over the 2022-2032 period because of significant uncertainty about enforcement decisions made by DOJ, the outcome of prosecutions, and the magnitude of fines that would be imposed and collected. A successful prosecution of a foreign entity under S. 977 could result in the collection of hundreds of millions of dollars, if the magnitude of future fines is similar to those in recent antitrust cases. Because the spending of revenues occurs over a period of several years after the fines are collected, CBO expects that the legislation could reduce the deficit during the 2022-2032 period, as large fines are collected during that period but some of the funds are spent after 2032.

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.