



**CONGRESSIONAL BUDGET OFFICE  
PAY-AS-YOU-GO ESTIMATE**

September 27, 2000

**H.R. 4919**  
**Defense and Security Assistance Act of 2000**  
*As cleared by the Congress on September 22, 2000*

**SUMMARY**

H.R. 4919 would amend laws governing sales of military equipment that would lower offsetting receipts (a form of direct spending) by an estimated \$16 million over the 2001-2003 period.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

CBO's estimate of the impact of H.R. 4919 on direct spending and revenues is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	6	5	5	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

**BASIS OF ESTIMATE**

CBO estimates that two provisions of the act would lower offsetting receipts by a total of \$16 million over the 2001-2003 period.

**Stockpile Transfers.** The act would permit the Secretary of Defense to augment defense appropriations over the next three years by exchanging items in the War Reserve Stockpile for Allies with Israel for cash, services, waiver of charges, and other items of value. Under current law, the Department of Defense (DoD) has the authority to sell defense items from stock, but the cash proceeds from sales are returned to the Treasury. CBO expects that, under this act, DoD would barter with Israel instead of selling items to it. Based on information from DoD, CBO estimates that forgone sales would total about \$5 million a year.

**Helicopter Sales.** The act would waive the payment by Colombia of certain charges associated with its purchase of five helicopters. The charges for the nonrecurring costs of research, development, and production total \$1 million. Waiving the charges would lower offsetting receipts by that amount in 2001.

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