



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 10, 2007

S. 1565

Naval Vessel Transfer Act of 2007

*As ordered reported by the Senate Committee on Foreign Relations
on June 27, 2007*

S. 1565 would authorize the transfer of eight naval vessels to foreign countries: five by grant and three by sale. In each case, the bill identifies the vessel, the type of transfer, and the recipient country. The authority to transfer those vessels would expire two years after enactment. Under the bill, any cost of refurbishment and transfer must be paid by the recipient country and is typically paid directly to the private shipyard that does the work.

Based on information from the Navy regarding the value of those ships and recent experience with actual sales and grants, CBO estimates that the sales would increase offsetting receipts by a total of \$53 million—\$12 million in 2008 and \$41 million in 2009. (Asset sales are a credit against direct spending.) Implementing the bill would not have a significant effect on spending subject to appropriation.

S. 1565 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Sam Papenfuss. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.