



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

August 17, 2007

**S. 838**  
**United States–Israel Energy Cooperation Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on July 25, 2007*

**SUMMARY**

S. 838 would direct the Secretary of Energy to establish a grant program to support joint ventures between U.S. and Israeli entities to promote certain energy-related technologies. CBO estimates that implementing the bill would cost \$4 million in 2008 and \$35 million over the 2008-2012 period, assuming appropriation of the necessary amounts. CBO estimates that enacting S. 838 would increase both direct spending and revenues by less than \$500,000 annually.

S. 838 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 838 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Estimated Authorization Level	8	8	8	8	9
Estimated Outlays	4	7	8	8	8

## **BASIS OF ESTIMATE**

CBO estimates that implementing S. 838 would cost \$4 million in 2008 and \$35 million over the 2008-2012 period. We also estimate that enacting the bill would increase both direct spending and revenues, but by less than \$500,000 a year. For this estimate, CBO assumes that S. 838 will be enacted near the start of fiscal year 2008.

### **Spending Subject to Appropriation**

S. 838 would direct the Secretary of Energy to establish a grant program to provide financial assistance for joint ventures between U.S. and Israeli government units, businesses, academic institutions, or nonprofit entities to promote technologies related to energy efficiency or renewable energy. The bill would require the Secretary to establish an advisory board to monitor the process for awarding those grants.

Based on information provided by the Department of Energy (DOE) about funding levels for similar international programs, CBO estimates that fully funding S. 838 would require appropriations totaling \$8 million in 2008 and \$36 million over the 2008-2012 period. Assuming appropriation of the necessary amounts, we estimate that spending would total \$4 million in 2008 and \$35 million over the 2008-2012 period. That estimate assumes that DOE would spend \$30 million over the next five years for grants and about \$1 million annually for the proposed advisory board.

### **Direct Spending and Revenues**

S. 838 would authorize the Secretary of Energy to accept donations and spend those amounts, without further appropriation, for activities authorized by the bill. Any amounts received would be classified as governmental receipts (revenues), and subsequent outlays would be recorded as direct spending. Based on information provided by DOE, CBO estimates that any increases in revenues and direct spending under S. 838 would not exceed \$500,000 in any year.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 838 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would authorize grants for joint ventures with Israel to support energy efficiency. This program would benefit participating public institutions of higher education. Any costs they might incur, including matching funds, would be incurred voluntarily.

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