

S. 2556, PROTECT Act of 2019

As reported by the Senate Committee on Energy and Natural Resources on January 7, 2020

| By Fiscal Year, Millions of Dollars | 2020 | 2020-2024 | 2020-2029 |
|--|------|-------------------------------------|----------------------|
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | 5 | 174 | 250 |
| Statutory pay-as-you-go procedures apply? | No | Mandate Effects | |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030? | No | Contains intergovernmental mandate? | Yes, Under Threshold |
| | | Contains private-sector mandate? | No |

S. 2556 would require the Department of Energy to establish a rural and municipal cybersecurity grant and technical assistance program. The bill would authorize the annual appropriation of \$50 million through 2024 for that program.

Assuming appropriation of the authorized amounts and based on historical spending patterns, CBO estimates that implementing S. 2556 would cost \$174 million over the 2020-2024 period and \$76 million after 2024.

S. 2556 also would require the Federal Energy Regulatory Commission (FERC) to study and establish a rule on setting rates to encourage public utilities to invest in cybersecurity technology and sharing information programs.

Based on information about the cost of similar activities, CBO estimates that the cost to FERC would be less than \$500,000 over the 2020-2024 period. However, because FERC is authorized to recover 100 percent of its costs through user fees, any change in agency costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges. Thus, implementing those provisions would result in no net change in discretionary spending.

The costs of the legislation (detailed in Table 1) fall within budget function 270 (energy).



Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 2556

| | By Fiscal Year, Millions of Dollars | | | | | 2020-2024 |
|-------------------|-------------------------------------|------|------|------|------|-----------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Authorization | 50 | 50 | 50 | 50 | 50 | 250 |
| Estimated Outlays | 5 | 22 | 40 | 50 | 57 | 174 |

S. 2556 would prohibit state, local, and tribal governments from disclosing any information provided to or collected by the federal government under a cybersecurity grant and technical assistance program. That prohibition would be a preemption of state, local, and tribal public disclosure laws, which is considered a mandate under the Unfunded Mandates Reform Act (UMRA.) CBO estimates the cost to comply with the preemption would be very small and would fall well below the annual threshold established in UMRA for intergovernmental mandates (\$82 million in 2019, adjusted annually for inflation).

The bill contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sofia Guo (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.