

S. 3522, Ukraine Democracy Defense Lend-Lease Act of 2022

As passed by the Senate on April 6, 2022

| By Fiscal Year, Millions of Dollars | 2022 | 2022-2026 | 2022-2031 |
|--|------|-------------------------------------|---------------|
| Direct Spending (Outlays) | a | a | a |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | a | a | a |
| Spending Subject to Appropriation (Outlays) | a | a | not estimated |
| Statutory pay-as-you-go procedures apply? | Yes | Mandate Effects | |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |
| a. CBO has insufficient information to estimate the budgetary effects. | | | |

S. 3522 would authorize the Administration, through fiscal year 2023, to lend or lease military equipment to Ukraine and other Eastern European countries. The act would exempt the Administration from certain provisions of law that govern the loan or lease of military equipment to foreign countries, such as the five-year limit on the duration of the loan or the requirement that receiving countries pay all costs incurred by the United States in leasing the defense equipment. Any loan or lease of military equipment to Ukraine would still be subject to all applicable laws concerning the return of such equipment.

Under current law, payments received under leasing agreements with foreign countries are deposited in the Treasury as miscellaneous receipts and are classified as direct spending. Enacting the legislation could increase amounts deposited in the Treasury if the Administration lends or leases equipment under S. 3522 that it otherwise would not have provided under current law. Conversely, those deposits would decrease if the Administration lends or leases equipment at a reduced cost under the act relative to amounts it otherwise would have charged under its existing authorities.

If any equipment loaned or leased under S. 3522 is damaged or destroyed, and payments under the act do not fully cover the costs to repair or replace those articles, then

implementing the bill also would increase costs to replenish the Department of Defense's stocks. Those costs would be subject to the availability of appropriated funds.

Because CBO has insufficient information about how the Administration would use the authorities under S. 3522, we have no basis to estimate its effects on federal spending. Enacting the bill would not affect revenues.

The CBO staff contacts for this estimate are William Ma and Caroline Dorminey. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.