

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 18, 2018

H.R. 5239 Cyber Sense Act of 2018

As ordered reported by the House Committee on Energy and Commerce on May 9, 2018

SUMMARY

H.R. 5239 would direct the Department of Energy (DOE) to establish a program to identify and promote products and technologies to mitigate the threat of cyber-related disruptions to the bulk power system. (The bulk power system comprises facilities and control systems necessary for operating an interconnected network for transmitting electric energy and facilities that generate electricity necessary to maintain the reliability of that network.)

CBO estimates that implementing H.R. 5239 would cost \$56 million over the 2019-2023 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5239 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5239 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), on state, local, and tribal governments, but CBO estimates that it would impose no duty on those governments that would result in additional spending or a loss of revenues.

H.R. 5239 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5239 is shown in the following table. The costs of the legislation fall primarily within budget function 270 (energy).

| | | By Fiscal Year, in Millions of Dollars | | | | | | |
|--|--------|--|---------|----------|----------|----------|---------------|--|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019- 2023 | |
| INCREASES IN SPENDING SUBJECT TO APPROPRIATION | | | | | | | | |
| Estimated Authorization Level Estimated Outlays | 0 0 | 15 3 | 15 9 | 16 12 | 16 16 | 16 16 | 78 56 | |

BASIS OF ESTIMATE

H.R. 5239 would direct DOE to establish a voluntary program for testing the cybersecurity of products and technologies intended for use in the bulk power system. The bill would specify requirements for that program and direct the agency to provide guidance and technical assistance, using information and analysis from the proposed testing program, to stakeholders of the electricity sector to help mitigate cybersecurity vulnerabilities.

Using information from DOE, CBO estimates that implementing H.R. 5239 would cost \$56 million over the 2019-2023 period. That estimate is based on the Administration's cost estimates for activities that DOE has proposed to carry out that are similar to those in the bill, and it reflects historical spending patterns for activities administered by DOE's Office of Electricity.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 5239 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 5239 would impose an intergovernmental mandate, as defined in UMRA, on state, local, and tribal governments. The bill would preempt state and local laws that could otherwise cause governmental agencies participating in the proposed program to disclose information about their activities, such as the sharing of cybersecurity information.

Although the preemption would limit the application of state and local laws, CBO estimates that it would impose no duty on state or local governments that would result in additional spending or a loss of revenue.

H.R. 5239 contains no private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY

Federal Costs: Megan Carroll

Mandates: Jon Sperl

ESTIMATE REVIEWED BY

Kim P. Cawley Chief, Natural and Physical Resources Cost Estimates Units

Susan Willie Chief, Mandates Unit

H. Samuel Papenfuss Deputy Assistant Director for Budget Analysis