Congressional Budget Office
Cost Estimate

January 11, 2022

S. 3436, Protecting Europe's Energy Security Implementation Act

As introduced in the Senate on December 18, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	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**

* = between -$500,000 and $500,000.

S. 3436 would require the President to impose sanctions on corporate officers and entities involved in planning, constructing, or operating the Nord Stream 2 pipeline project from Russia to Germany; that requirement would expire after five years. The bill also would require the Administration to report to the Congress on its actions and related matters.

The United States has imposed sanctions on entities involved in that project; however, in May 2021, the Administration waived sanctions on a key executive and company leading the project. Other sanctions remain in place, including sanctions on ships, ship owners, and construction companies. If enactment of the bill leads the Administration to broaden sanctions, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent without further appropriation, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

Sanctions under the bill also would increase the number of people who are subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation. In addition, the bill would block transactions in certain assets and property that are in the United States or that come under the control of people in the United States.

On the basis of data for similar sanctions, CBO estimates that if the Administration chose to impose sanctions, they would affect a small number of people; thus, enacting the bill would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2022-2031 period.

On the basis of information about similar requirements, CBO estimates that providing the required reports would cost less than $500,000 over the 2022-2026 period. Such spending would be subject to the availability of appropriated funds.

The CBO staff contacts for this estimate are Sunita D'Monte and Madeleine Fox. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.