



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

February 11, 2009

Honorable Paul Ryan
Ranking Member
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Congressman,

As you requested, the Congressional Budget Office and the Joint Committee on Taxation have estimated the impact of permanently extending more than 20 of the provisions contained in H.R. 1, the American Recovery and Reinvestment Act of 2009, as passed by the House of Representatives. As specified in H.R. 1 as passed, those provisions would either explicitly expire or would specify appropriations only for a limited number of years (usually 2009 and 2010).

CBO estimates that H.R. 1, as passed by the House of Representatives, would increase budget deficits by about \$820 billion over the 2009-2019 period; we estimate that permanently extending the programs you identified would increase the cumulative deficit over that period by another \$1.7 trillion (see attached table).

As you requested, the Congressional Budget Office has also estimated the costs of debt service that would result from enacting the bill with these extensions. Such costs are not included in CBO's cost estimates for individual pieces of legislation and are not counted for Congressional scorekeeping purposes for such legislation. If the specified provisions of H.R. 1 are continued, under CBO's current economic assumptions and assuming that none of the direct budgetary effects of the legislation are offset by future legislation, CBO estimates that enacting the bill would increase the government's interest costs by a total of about \$745 billion over the 2009-2019 period.

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I hope this information is helpful to you. If you would like further details about this estimate, the CBO staff contacts are Christi Hawley Anthony and Barry Blom.

Sincerely,

Douglas W. Elmendorf
Director

Enclosure

cc: Honorable John M. Spratt Jr.
Chairman
Committee on the Budget

Identical letter sent to the Honorable Dave Camp.