



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 21, 2013

H.R. 1964 **National Petroleum Reserve Alaska Access Act**

As ordered reported by the House Committee on Natural Resources on June 12, 2013

H.R. 1964 would require the Secretary of the Interior to conduct certain activities aimed at facilitating the development of oil and gas in the National Petroleum Reserve in Alaska (NPR-A). Based on information from the Department of the Interior and assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would cost \$2 million over the 2014-2015 period. Enacting H.R. 1964 could affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be negligible. Enacting the legislation would not affect revenues.

The bill would require the United States Geological Survey (USGS) to complete a comprehensive assessment of oil and gas resources in the NPR-A. The agency recently completed many of the assessments that would be required under the bill. Based on information from the agency, CBO expects that the USGS would need to complete two additional assessments. Based on information regarding the cost of similar USGS assessments and assuming appropriation of the necessary amounts, we estimate that those assessments would cost \$2 million over the 2014-2015 period.

H.R. 1964 also would require the Bureau of Land Management (BLM) to conduct annual lease sales in the NPR-A. Historically, such sales were held every two years; however, because the agency began conducting annual sales in 2011 and plans to continue them in the future, CBO estimates that implementing this provision would not affect the federal budget.

Finally, the bill would require BLM to reassess a recent decision to offer 52 percent of the NPR-A region for oil and gas leasing and choose another development option that the agency has evaluated. Under the bill, CBO expects that the agency would select an alternative development plan for NPR-A that would make similar amounts of acreage available for oil and gas leasing. In addition, gross annual proceeds from oil and gas leasing activities in the NPR-A have been below \$5 million in recent years. Consequently, CBO expects that requiring BLM to select a new resource development plan would have a negligible impact on direct spending.

H.R. 1964 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contacts for this estimate are Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.