



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

December 8, 2011

**H.R. 2752**

**BLM Live Internet Auctions Act**

*As ordered reported by the House Committee on Natural Resources on October 5, 2011*

H.R. 2752 would allow the Bureau of Land Management (BLM) the option to conduct auctions for onshore oil and gas leases using Internet-based bidding methods. The bill also would require BLM to prepare a report comparing outcomes of Internet-based auctions to outcomes of oral auctions conducted under current law.

Using information provided by BLM and individuals familiar with Internet auction methods, CBO estimates that, assuming availability of appropriated funds, implementing the legislation would cost \$2 million over the 2012-2016 period. That amount includes about \$1 million to build an online system to facilitate auctions and annual costs to operate and maintain the system, which would be partially offset by savings associated with reducing the number of oral auctions conducted by BLM each year.

H.R. 2752 could affect direct spending by increasing receipts from bonus bids; therefore, pay-as-you go procedures apply. Total bonus bids from onshore oil and gas leases averaged about \$250 million annually over the 2007-2011 period. CBO expects that any change in receipts resulting from allowing the agency the option to conduct Internet auctions for onshore oil and gas leases would not be significant.

H.R. 2752 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 contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.