CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 9, 2012

H.R. 3548
North American Energy Access Act

As ordered reported by the House Committee on Energy and Commerce on February 7, 2012

H.R. 3548 would establish procedures and requirements related to issuing federal permits for the proposed Keystone XL pipeline, which would be constructed by a private company to carry crude oil from Alberta, Canada, to destinations on the U.S. Gulf Coast. Under current law, the proposed pipeline requires a Presidential permit because it would cross international borders. The Department of State is responsible for issuing such permits.

H.R. 3548 would modify current law to exempt the sponsors of the Keystone XL pipeline from the requirement to obtain a Presidential permit for that project and would specify procedures for the Federal Energy Regulatory Commission (FERC) to issue necessary permits. Under the bill, FERC would have 30 days to review an application for a permit to construct, operate, and maintain the proposed pipeline; if FERC did not act on the application within that time, the permit would be deemed to have been issued. In addition, the bill would specify procedures related to federal reviews of any future applications to modify the route of the proposed pipeline and accompanying environmental reviews required under the National Environmental Policy Act.

CBO estimates that enacting H.R. 3548 would have no significant impact on the federal budget. Based on information from affected agencies, CBO estimates that the bill would not significantly affect spending for regulatory activities related to the proposed Keystone XL pipeline, which would be subject to appropriation. Further, because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs would be offset by an equal change in fees that the commission charges. Enacting H.R. 3548 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3548 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 Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.