



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2012

### **H.R. 4381** **Planning for American Energy Act of 2012**

*As ordered reported by the House Committee on Natural Resources on May 16, 2012*

H.R. 4381 would require the Secretary of the Interior to develop an onshore energy production strategy every four years. The bill also would require the Secretary to develop a national programmatic environmental impact statement (PEIS) for all onshore minerals. Based on information provided by the Bureau of Land Management (BLM), CBO estimates that implementing the legislation would cost \$15 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 4381 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The bill would require the Secretary to develop and publish every four years a strategy for the development of onshore federal energy and mineral resources. The bill would direct the Secretary to establish production objectives for oil, natural gas, coal, oil shale, and certain other minerals, as well as energy from wind, solar, biomass, hydropower, and geothermal resources. Based on information provided by the Department of the Interior about the cost of similar reports, CBO estimates that developing the four-year strategy would cost \$7 million over the 2014-2015 period, assuming appropriation of the necessary amounts.

The bill also would direct the Secretary to complete a PEIS for any activities associated with energy production on federal lands. Based on information from the affected agencies, CBO expects that those agencies would continue to conduct site-specific environmental impact statements (EIS); however, we expect that analyses completed as part of the PEIS could result in some small savings when agencies prepare future EIS reports. Based on information provided by BLM regarding the cost of similar analyses, CBO estimates that completing the PEIS would cost \$8 million over the 2013-2014 period, assuming appropriation of the necessary amounts.

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