



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 7, 2012

H.R. 4382
Providing Leasing Certainty for American Energy Act of 2012

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

CBO estimates that enacting H.R. 4382 would increase offsetting receipts from bonus bids by \$2 million over the 2013-2022 period; therefore, pay-as-you-go procedures apply. We estimate that implementing the bill would not affect discretionary spending. Enacting H.R. 4382 would not affect revenues.

H.R. 4382 would require the Secretary of the Interior to offer for sale at least 25 percent of onshore federal lands nominated by firms for oil and gas leasing. Based on information provided by the Bureau of Land Management (BLM) about the amount of nominated lands leased, CBO estimates that implementing that provision would not affect the federal budget because, under current law, the agency already offers for sale more than 25 percent of the acreage nominated. The bill also would prevent the Secretary from taking certain actions that would delay or cancel leases, lease sales, or project approvals. CBO estimates that this provision also would not affect the federal budget because, under current law, the Secretary rarely takes such actions and the budgetary effects of those actions are typically small.

H.R. 4382 would prohibit the Secretary from deferring lease sales in areas where BLM is revising existing land use plans. Because leasing is deferred for up to five years in areas undergoing land use planning, CBO expects that certain areas would be leased sooner under H.R. 4382 than under current law. Based on information provided by BLM, CBO expects that leasing activities are deferred on about 150,000 new acres per year. Based on information about the amount of acres leased annually relative to the amount of acres available for lease, CBO estimates that accelerating leasing of those lands would increase offsetting receipts from bonus bids by \$2 million over the 2013-2022 period.

H.R. 4382 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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