



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 3, 2014

### **H.R. 6** **Domestic Prosperity and Global Freedom Act**

*As ordered reported by the House Committee on Energy and Commerce on April 30, 2014*

Under the Natural Gas Act, the Department of Energy (DOE) regulates imports and exports of natural gas. H.R. 6 would amend that act to specify a deadline for DOE to issue decisions on certain applications for authority to export natural gas. Specifically, H.R. 6 would require DOE to issue a decision on any existing application within 90 days of either the enactment date of H.R. 6 or the close of the comment period pertaining to the application, whichever is later.

Based on information from DOE, CBO estimates that enacting H.R. 6 would not significantly affect the federal budget. The bill would not materially alter DOE's regulatory responsibilities under the Natural Gas Act, and CBO estimates that any change in DOE's administrative costs, which are subject to the availability of appropriated funds, would be negligible because of the small number of permits involved. H.R. 6 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 6 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

The bill would impose a private-sector mandate, as defined in UMRA, on entities seeking DOE approval to export natural gas. The Natural Gas Act requires entities seeking to export natural gas to obtain approval from DOE. The bill would require that applicants, as a condition for approval, publicly disclose the countries that would receive the exports. According to DOE, fewer than 100 applications have been approved or are pending for export of natural gas as of March 2014. Because the number of applications for export is small and the cost to disclose destination countries is low, CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

The CBO staff contacts for this estimate are Megan Carroll (for federal costs) and Amy Petz (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.