



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 9, 1999

### **H.R. 1753**

### **Methane Hydrate Research and Development Act of 1999**

*As ordered reported by the House Committee on Resources on June 30, 1999*

#### **SUMMARY**

H.R. 1753 would authorize appropriations for a new research and development program at the Department of Energy (DOE) on the use of methane hydrate as a source of energy. DOE would administer the program through grants, contracts, and cooperative agreements with universities and industrial enterprises. Deposits of methane hydrate occur in deep ocean and permafrost areas of the world and consist of methane-water ice-like crystalline material.

CBO estimates that appropriating the specified amounts would increase discretionary spending by \$41 million over the next five years. H.R. 1753 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not impose costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 1753 is shown in the following table. For purposes of this estimate, CBO assumes that H.R. 1753 will be enacted before the end of fiscal year 1999, that the authorized amounts will be appropriated for each year, and that outlays will occur at the rate observed for similar existing programs. The costs of this legislation fall within budget function 270 (energy).

---

By Fiscal Year, in Millions of Dollars

---

	2000	2001	2002	2003	2004
--	------	------	------	------	------

---

**SPENDING SUBJECT TO APPROPRIATION**

Authorization Level	5	11	11	12	12
Estimated Outlays	2	6	10	11	12

---

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1753 contains no intergovernmental or private-sector mandates as defined in UMRA and would not impose any costs on state, local, or tribal governments. State universities might benefit from research grants, contracts, or cooperative agreements provided through this bill.

**PREVIOUS CBO ESTIMATE**

On March 9, 1999, CBO transmitted a cost estimate for S. 330, the Methane Hydrate Research and Development Act of 1999, as ordered reported by the Senate Committee on Energy and Natural Resources on March 4, 1999. Differences in the estimates are attributable to differences between the two bills. The Senate bill would authorize such sums as may be necessary for the program, which CBO estimated would total about \$45 million over the next five years. H.R. 1753 would specify authorizations totaling \$41 million for these activities over the 2000-2004 period.

**ESTIMATE PREPARED BY:** Kathleen Gramp

**ESTIMATE APPROVED BY:**

Robert A. Sunshine  
Deputy Assistant Director for Budget Analysis