



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

August 14, 2007

**H.R. 1126**

**An act to reauthorize the Steel and Aluminum Energy Conservation  
and Technology Competitiveness Act of 1988**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on July 25, 2007*

**SUMMARY**

H.R. 1126 would authorize appropriations totaling \$60 million over the 2008-2012 period for research and development to enhance the energy efficiency of processes to manufacture metals, particularly steel and aluminum. Assuming appropriation of the specified amounts, CBO estimates that implementing the legislation would increase discretionary spending by \$6 million in 2008 and \$54 million over the next five years. Enacting H.R. 1126 would not affect direct spending or revenues.

H.R. 1126 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 1126 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for Research on Energy Efficiency of Metals Manufacturing						
Budget Authority <sup>a</sup>	7	0	0	0	0	0
Estimated Outlays	6	2	0	0	0	0
Proposed Changes						
Authorization Level	0	12	12	12	12	12
Estimated Outlays	0	6	12	12	12	12
Spending Under H.R. 1126 for Research on Energy Efficiency of Metals Manufacturing						
Authorization Level <sup>a</sup>	7	12	12	12	12	12
Estimated Outlays	6	8	12	12	12	12

a. The 2007 level is the amount appropriated for that year for programs to improve the energy efficiency of metals manufacturing.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 1126 will be enacted near the end of fiscal year 2007 and that appropriations will be provided as specified in the legislation. H.R. 1126 would reauthorize the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988. The legislation would authorize the appropriation of \$12 million a year over the 2008-2012 period for research and development to enhance the energy efficiency of processes to manufacture steel, aluminum, and other metals. It also would expand research authorized under the act to include processes that make bar steel and technologies to reduce greenhouse gas emissions. Based on historical spending patterns for similar activities, CBO estimates that fully funding H.R. 1126 would increase discretionary spending by \$6 million in 2008 and \$54 million over the next five years, assuming appropriation of the specified amounts.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1126 contains no intergovernmental or private-sector mandates as defined in UMRA. Funds authorized in the legislation would benefit institutions of higher education that participate in research programs to improve the energy efficiency of metals. Any costs that

they might incur, including matching funds, would result from complying with conditions of federal assistance.

### **PREVIOUS CBO ESTIMATE**

On March 2, 2007, CBO transmitted a cost estimate for H.R. 1126 as ordered reported by the House Committee on Science and Technology on February 28, 2007. The two versions of the legislation are similar, and our cost estimates are the same.

### **ESTIMATE PREPARED BY:**

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Neil Hood

Impact on the Private Sector: Craig Cammarata and Patrice Gordon

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Assistant Director for Budget Analysis