



September 16, 2008

Honorable Nick J. Rahall II  
Chairman  
Committee on Natural Resources  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Based on a review of H.R. 6899, the Comprehensive American Energy Security and Consumer Protection Act, as introduced on September 15, 2008, CBO estimates that enacting this legislation would reduce net direct spending by \$5.3 billion over the 2009-2018 period. In addition, CBO and the Joint Committee on Taxation (JCT) estimate that the legislation would increase revenues by \$1.4 billion over the 2009-2018 period. In total, CBO and JCT estimate that enacting the legislation would reduce future budget deficits (or increase surpluses) by about \$3.5 billion over the 2009-2013 period and by about \$6.7 billion over the 2009-2018 period (see enclosed table). CBO has not completed an estimate of the bill's estimated impact on discretionary spending.

The nontax provisions in H.R. 6899 contain intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would impose intergovernmental mandates on state utility regulators and agencies that establish building standards. It would impose private-sector mandates on holders of federal oil and gas leases in the Gulf of Mexico, electric utilities, major oil companies that own fueling stations, builders, and oil producers in Alaska.

CBO estimates that the aggregate cost to state, local, and tribal governments of complying with mandates in H.R. 6899's nontax provisions would fall below the annual threshold established in UMRA for intergovernmental mandates (\$68 million in 2008, adjusted annually for inflation). We estimate that the aggregate cost to the private sector of complying with mandates in those provisions would exceed the annual threshold established for private-sector mandates (\$136 million in 2008, adjusted annually for inflation).

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If you wish further details on this estimate, we would be pleased to provide them. The CBO staff contacts for federal costs are Megan Carroll and Kathleen Gramp. The staff contact for the state and local impact is Leo Lex and the contact for the private-sector impact is Patrice Gordon.

Sincerely,

*for* 

Peter R. Orszag  
Director

Enclosure

cc: Honorable Don Young  
Ranking Republican Member

**ESTIMATE OF THE EFFECTS ON DIRECT SPENDING AND REVENUES OF H.R. 6899, THE COMPREHENSIVE AMERICAN ENERGY SECURITY AND CONSUMER PROTECTION ACT, AS INTRODUCED ON SEPTEMBER 15, 2008**

	By Fiscal Year, in Millions of Dollars											2009-	2009-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2013	2018	
<b>CHANGES IN DIRECT SPENDING</b>													
Changes to Outer Continental Shelf													
Leasing Program													
Estimated Budget Authority	0	0	0	40	20	80	230	230	220	180	60	1,000	
Estimated Outlays	0	0	0	40	20	80	230	230	220	180	60	1,000	
Conservation of Resources Fees													
Estimated Budget Authority	-142	-634	-651	-837	-1,113	-1,194	-758	-977	-782	-562	-3,377	-7,650	
Estimated Outlays	-142	-634	-651	-837	-1,113	-1,194	-758	-977	-782	-562	-3,377	-7,650	
Strategic Petroleum Reserve													
Estimated Budget Authority	-4,700	4,600	0	0	0	0	0	0	0	0	-100	-100	
Estimated Outlays	-4,700	4,600	0	0	0	0	0	0	0	0	-100	-100	
Funding for New York's Transportation Infrastructure													
Estimated Budget Authority	115	115	115	115	115	115	115	115	115	115	575	1,150	
Estimated Outlays	115	115	115	115	115	115	115	115	115	115	575	1,150	
Other Provisions													
Estimated Budget Authority	199	-10	1	-9	3	-2	101	48	1	-2	184	330	
Estimated Outlays	199	-10	1	-9	3	-2	101	48	1	-2	184	330	
Total Changes in Direct Spending													
Estimated Budget Authority	-4,528	4,071	-535	-691	-975	-1,001	-322	-594	-456	-279	-2,658	-5,310	
Estimated Outlays	-4,528	4,071	-535	-691	-975	-1,001	-322	-594	-456	-279	-2,658	-5,310	
<b>CHANGES IN REVENUES</b>													
Total Changes in Revenues	-2,348	-136	103	5	3,195	-2,733	582	633	864	1,183	818	1,350	
<b>TOTAL CHANGES</b>													
Change in the Deficit or Surplus <sup>a</sup>	-2,180	4,207	-638	-696	-4,170	1,732	-904	-1,227	-1,320	-1,462	-3,476	-6,660	

Sources: Congressional Budget Office and Joint Committee on Taxation.

Note: Components may not sum to totals because of rounding.

a. Negative numbers indicate a decrease in the deficit (or an increase in a surplus); positive numbers indicate the opposite.