



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 13, 2010

S. 3515 **Federal Research and Technologies** **for Oil Spill Prevention and Response Act of 2010**

*As ordered reported by the Senate Committee on Environment and Public Works
on June 30, 2010*

SUMMARY

S. 3515 would authorize several agencies to spend, without further appropriation, a total of \$25 million a year over the 2010-2020 period on a program to research and develop technologies to prevent, mitigate, and clean up oil spills. The bill also would establish a committee to advise agencies about research conducted under the program. CBO estimates that implementing the legislation would increase direct spending by \$264 million over the 2010-2020 period and \$11 million after 2020; therefore, pay-as-you-go procedures would apply.¹ Enacting the legislation would not affect revenues.

S. 3515 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 S. 3515 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

1. Different time periods apply for enforcing pay-as-you-go rules in the Senate. CBO estimates that enacting the bill would increase direct spending by \$96 million over the 2010-2014 period and by \$236 million over the 2010-2019 period.

	By Fiscal Year, in Millions of Dollars												2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020	
CHANGES IN DIRECT SPENDING														
Budget Authority	25	25	25	25	25	25	25	25	25	25	25	150	275	
Estimated Outlays	0	15	25	28	28	28	28	28	28	28	28	124	264	

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of fiscal year 2010. Estimated outlays are based on historical spending patterns for similar programs.

S. 3515 would authorize the expenditure of some of the proceeds from federal oil and gas leases to fund research and development efforts related to oil-spill prevention, mitigation, and cleanup. The bill would authorize certain agencies to spend, without further appropriation, a total of \$25 million a year on those activities. Based on information regarding similar programs, CBO estimates that implementing the legislation would increase direct spending by \$264 million over the 2010-2020 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting S. 3515 would increase direct spending; therefore, pay-as-you-go procedures would apply. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 3515 as ordered reported by the Senate Committee on Environment and Public Works on June 30, 2010

	By Fiscal Year, in Millions of Dollars												2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	15	25	28	28	28	28	28	28	28	28	124	264	

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3515 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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