



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 8, 2011

H.R. 1938
North American-Made Energy Security Act

As ordered reported by the House Committee on Energy and Commerce on June 23, 2011

In September 2008, a Canadian firm applied for a permit to construct the proposed Keystone XL pipeline, which would carry crude oil from Alberta, Canada, to destinations on the U.S. Gulf Coast. Because the proposed pipeline would cross international borders, it requires a Presidential Permit issued by the Department of State. H.R. 1938 would direct the President, acting through the Secretary of Energy, to coordinate with federal agencies to complete all necessary actions required to enable the Secretary of State to issue a final order to either grant or deny that Presidential Permit no later than November 1, 2011.

CBO estimates that enacting H.R. 1938 would have no significant impact on the federal budget. According to the Department of State and the Department of Energy, the regulatory activities related to the proposed Keystone XL pipeline are already underway, and CBO expects that, under current law, a final decision will be made during fiscal year 2012. Based on information from those agencies, CBO estimates that any change in federal costs to comply with the accelerated timeframe specified by H.R. 1938 would be insignificant.

Enacting H.R. 1938 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. H.R. 1938 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.