



September 18, 2012

Honorable David Dreier  
Chairman  
Committee on Rules  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

As you requested, the Congressional Budget Office has prepared the following cost estimate for H.R. 3409, the Coal Miner Employment and Domestic Energy Infrastructure Protection Act, as posted on the Web site of the House Committee on Rules (Committee Print 112-32). CBO estimates that implementing the bill would reduce future discretionary spending by \$245 million over the 2013-2017 period, assuming that appropriations in those years were reduced accordingly. Such reductions would primarily stem from prohibiting the Environmental Protection Agency (EPA) from regulating greenhouse gases.

	By Fiscal Year, in Millions of Dollars					2013-2017
	2013	2014	2015	2016	2017	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	-53	-58	-59	-60	-61	-291
Estimated Outlays	-18	-49	-59	-59	-60	-245

H.R. 3409 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) by expanding an existing preemption of state laws that regulate greenhouse gases from motor vehicles and requiring states to notify EPA whether they will adopt and implement a permit program for coal combustion residuals (CCR). Although the preemption would limit the application of state law, CBO estimates that it would impose no duty on state governments that would result in additional spending.

CBO estimates that the cost, if any, of the notification requirement would be small. If states chose to adopt and implement a CCR program, any costs they incurred would result from participation in a voluntary federal program and not from the requirements of an intergovernmental mandate.

To the extent that the bill would establish or accelerate a program to regulate CCR, the bill also would impose an intergovernmental and private-sector mandate on coal-fired power plants. (EPA is considering a program with more stringent regulations than those contained in this bill, but the timing for implementing those regulations is uncertain.) Based on information from EPA, a small number of public entities would be required to comply with the bill's requirements, and CBO estimates that the cost for those entities to comply would fall below UMRA's annual threshold for intergovernmental mandates (\$73 million in 2012, adjusted annually for inflation). Because of uncertainty about the number of private utilities that would need to take corrective action, CBO cannot determine whether the cost of the mandate would exceed the annual threshold for private-sector mandates (\$146 million in 2012, adjusted annually for inflation).

H.R. 3409 combines four bills that have been passed by the U.S. House of Representatives and one bill that has been approved by the House Committee on Natural Resources. CBO prepared cost estimates for the following bills when they were ordered reported:

- [H.R. 3409](#), the Coal Miner Employment and Domestic Energy Infrastructure Protection Act, as ordered reported by the House Committee on Natural Resources on February 29, 2012;
- [H.R. 910](#), the Energy Tax Prevention Act of 2011, as ordered reported by the House Committee on Energy and Commerce on March 15, 2011 (passed by the House on April 7, 2011);
- [H.R. 2401](#), the Transparency in Regulatory Analysis of Impacts on Our Nation Act of 2011, as ordered reported by the House Committee on Energy and Commerce on July 12, 2011 (passed by the House on September 23, 2011);
- [H.R. 2273](#), the Coal Residuals Reuse and Management Act of 2011, as ordered reported by the House Committee on Energy and Commerce on July 13, 2011 (passed by the House on October 14, 2011); and,
- [H.R. 2018](#), the Clean Water Cooperative Federalism Act of 2011, as ordered reported by the House Committee on Transportation and Infrastructure on June 22, 2011 (passed by the House on July 13, 2011).

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The above estimate for this version of H.R. 3409 reflects any amendments made since those bills were ordered reported. The estimate also reflects updated assumptions about the assumed enactment date of the legislation. The CBO staff contact for this estimate is Susanne S. Mehlman.

Sincerely,

Douglas W. Elmendorf  
Director

cc: Honorable Louise Slaughter  
Ranking Minority Member