



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 3, 2011

**S. 398  
Implementation of National Consensus  
Appliance Agreements Act of 2011**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on April 12, 2011*

S. 398 would establish and revise a variety of energy-efficiency standards for certain types of consumer products. The bill also would make changes to the Department of Energy's (DOE's) regulatory authority and processes related to such standards.

Based on information from DOE, CBO estimates that implementing S. 398 would have no significant net impact on the federal budget. According to DOE, the agency is already pursuing rulemakings related to testing and energy-efficiency standards of certain products for which S. 398 would specify standards. By streamlining regulatory procedures for such products, S. 398 could reduce the need for future appropriations to continue rulemaking processes related to them. On the other hand, under S. 398, certain new classes of consumer products would become subject to DOE regulation, adding to the agency's anticipated workload. Based on information from DOE, CBO estimates that any net change in the agency's costs to regulate products affected by S. 398, which are subject to appropriation, would be insignificant in any year. Enacting S. 398 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 398 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) because it would preempt state and local laws governing energy-efficiency standards, including those for water dispensers, commercial cabinets for holding hot food, portable electric spas, video game consoles, and certain types of lamps. While those preemptions would limit the application of state and local law, CBO estimates that they would impose no duty on state, local, or tribal governments that would result in additional spending.

By establishing new energy-efficiency standards for appliances and other products, the bill also would impose private-sector mandates, as defined UMRA, on manufacturers of those products. In addition, the bill would revise existing standards for certain other products. DOE is currently pursuing rulemakings related to those standards. To the extent the revised

standards in the bill would impose more stringent standards than the standards to be issued by DOE or would accelerate the effective date of those standards, the bill would impose a mandate on manufacturers of those products. Based on information from DOE and industry sources, CBO estimates that the cost to comply with some of the new standards would not be substantial. However, because of limited information about compliance costs and uncertainty about the rules to be issued by DOE, CBO cannot estimate the costs of several of the remaining mandates. Consequently, we cannot determine whether the aggregate costs of the private-sector mandates in the bill would exceed the annual threshold established in UMRA (\$142 million in 2011, adjusted annually for inflation).

The CBO staff contacts for this estimate are Megan Carroll (for federal costs), Ryan Miller (for the impact on state and local governments), and Amy Petz (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.