



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 15, 2011

S. 99
American Medical Isotopes Production Act of 2011
*As ordered reported by the Senate Committee on Energy and Natural Resources
on April 12, 2011*

SUMMARY

S. 99 would authorize funding to support projects to produce molybdenum-99, a radioactive isotope used in certain medical procedures. Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 99 would cost \$150 million over the 2011-2016 period. CBO also estimates that enacting the legislation would affect direct spending; therefore, pay-as-you-go procedures apply. CBO estimates, however, that the net impact on direct spending would be negligible in any given year. Enacting S. 99 would not affect revenues.

S. 99 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. 99 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	150	0	0	0	0	150
Estimated Outlays	43	38	30	24	15	150

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 99 will be enacted near the end of fiscal year 2011 and that authorized amounts will be provided near the start of 2012.

CBO estimates that implementing S. 99 would require appropriations totaling \$150 million for a program to support projects to produce molybdenum-99, a radioactive isotope produced from uranium, for use in certain medical procedures. In addition, the bill would direct the Secretary of Energy to make low-enriched uranium (LEU) available through lease contracts to producers of molybdenum-99. Such lease contracts would provide for the Secretary to retain financial responsibility for certain waste generated by the irradiation, processing, or purification of LEU.

CBO estimates that implementing S. 99 would increase discretionary spending by \$150 million over the 2012-2016 period. We also estimate that leasing LEU would have a negligible net impact on direct spending.

Spending Subject to Appropriation

S. 99 would specifically authorize appropriations totaling \$143 million to provide direct financial support for projects to produce molybdenum-99 and \$5 million to establish a program to dispose of certain waste resulting from federal leases of LEU. In addition, CBO estimates that completing various studies, reports, and regulatory activities under the bill would require appropriations totaling \$2 million over the 2012-2016 period. Assuming appropriation of the authorized and estimated amounts, CBO estimates that spending would total \$150 million over the 2012-2016 period. That estimate is based on information from the Department of Energy (DOE) about the types of molybdenum-99 projects that might be supported under S. 99 and takes into account historical spending patterns for similar activities.

Under S. 99, the federal government would be responsible for disposing of certain types of waste generated by molybdenum-99 producers who lease LEU from DOE. Spending related to waste generated under such leases would be subject to the availability of appropriated funds. Based on information from DOE about the volume of LEU that the agency anticipates would be leased under S. 99, CBO expects that resulting quantities of waste would be small. While waste disposal costs would be incurred over many years and could reach significant levels over time, CBO estimates that any increased costs over the 2012-2016 period would not exceed the \$5 million specifically authorized to be appropriated under the bill.

Direct Spending

S. 99 would direct the Secretary to lease LEU to producers of molybdenum-99. Under current law, CBO estimates that sales of the material that would be leased under the bill would otherwise generate offsetting receipts (a credit against direct spending) totaling about \$1 million annually. Because S. 99 would require that lessees pay fees equivalent to the prevailing market rates for the sale of comparable uranium products, CBO estimates that any differences in receipts generated under the bill would be negligible in any given year.

The bill also would require that the Secretary charge LEU lessees a fee to offset the net present value of DOE's anticipated costs to dispose of certain types of waste generated from leased LEU. Under the bill DOE could spend those fees, without further appropriation, for activities related to waste disposal. Based on information from DOE about the range of potential costs the agency might face to dispose of waste pursuant to LEU leases, CBO estimates that any net change in direct spending resulting from the collection and spending of such fees would be negligible in any given year.

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. CBO estimates that enacting S. 99 would have a negligible net impact on direct spending in any given year, and would not have any impact on revenues.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 99 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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