



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 19, 2013

H.R. 875

A bill to provide for a comprehensive assessment of the scientific and technical research on the implications of the use of mid-level ethanol blends, and for other purposes

*As ordered reported by the House Committee on Science, Space, and Technology
on April 11, 2013*

H.R. 875 would require the Environmental Protection Agency (EPA) to coordinate with the National Academy of Sciences (NAS), to provide an assessment of the scientific and technical research associated with using mid-level ethanol blends (i.e., ethanol-gasoline blends containing 10 percent to 20 percent ethanol by volume) in gasoline. No later than 30 days after the assessment is completed, EPA would be required to submit a report to the Congress, indicating whether the agency agrees with the study's findings. The NAS and EPA would have 18 months from the time of enactment to complete the study. Mid-level ethanol blends could not be sold until after EPA issues its assessment report.

Section 3 of this legislation would require EPA to use \$900,000 "from funds made available for science and technology" to cover the costs of the study. Whether the funds for this study were made available from amounts appropriated in 2013 or in future years, CBO estimates that implementing this legislation would cost about \$1 million.

Enacting H.R. 875 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 875 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 875 would impose a private-sector mandate, as defined in UMRA, on businesses that sell or plan to sell mid-level ethanol blends by suspending sales of those blends. The cost of the mandate would be the net income forgone as a result of the suspension. Because sales of mid-level ethanol blends are relatively small, CBO estimates that the cost of the mandate would fall below the annual threshold established in UMRA (\$150 million in 2013, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs) and Amy Petz (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.