



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 14, 2016

S. 2816
Diesel Emissions Reduction Act of 2016

*As ordered reported by the Senate Committee on Environment and Public Works
on May 18, 2016*

S. 2816 would authorize the appropriation of \$100 million annually through 2021 for the Environmental Protection Agency to provide grants for projects that reduce emissions from diesel engines. Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 2816 would cost \$480 million over the 2017-2021 period.

Pay-as-you-go procedures do not apply to this legislation because enacting it would not affect direct spending or revenues. CBO estimates that enacting S. 2816 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2816 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. 2816 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	100	100	100	100	100	500
Estimated Outlays	85	95	100	100	100	480

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2816 will be enacted near the end of fiscal year 2016, that the specified amounts will be appropriated in each year starting in 2017, and that outlays will follow historical spending patterns for the program. The program received an appropriation of \$50 million in fiscal year 2016.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DEFICIT AND DIRECT SPENDING

CBO estimates that enacting S. 2816 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2816 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

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