



July 22, 2013

Honorable Ron Wyden
Chairman
Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As you requested, CBO has reviewed S. 1273, the Fixing Inequities with Revenues Act of 2013, as introduced on July 10, 2013. Based on a preliminary review, CBO estimates that enacting this legislation would increase direct spending by approximately \$6 billion over the 2015-2023 period. CBO has not completed an estimate of any discretionary costs that would be necessary to implement S. 1273 (that is, costs that would be subject to future appropriation), nor has CBO yet determined whether the bill contains intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Pay-as-you-go procedures apply because enacting the legislation would increase direct spending. In addition, pursuant to section 311 of the Concurrent Resolution on the Budget for Fiscal Year 2009 (S.Con.Res. 70, 110th Congress), CBO estimates that enacting the bill would increase projected deficits by more than \$5 billion in at least one of the four consecutive 10-year periods starting in 2023.

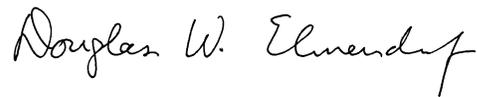
S. 1273 would revise existing laws regarding the disposition of proceeds from federal oil and gas leases on the Outer Continental Shelf (OCS) and from the development of certain onshore resources. Most of the estimated cost of implementing this bill would result from provisions that would accelerate and increase the amounts authorized to be spent without further appropriation from proceeds collected under current law from certain oil and gas leases in the Gulf of Mexico. The bill also would allow new direct spending for payments to states resulting from amounts collected from

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federal leasing activities in the Alaska, Atlantic, and Pacific OCS, subject to certain terms and conditions. Finally, enacting S. 1273 would lead to new direct spending for payments to states affected by the development of certain wind, solar, and certain ocean energy projects on federal lands. I hope you find this information helpful. If you need additional details on this estimate, we would be please to provide them. The CBO staff contacts for this estimate are Kathleen Gramp and Jeff LaFave.

Sincerely,

A handwritten signature in cursive script that reads "Douglas W. Elmendorf".

Douglas W. Elmendorf
Director

Identical letter sent to the Honorable Lisa Murkowski.