



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 9, 2018

H.R. 6087

Removing Barriers to Energy Independence Act

As ordered reported by the House Committee on Natural Resources on June 27, 2018

H.R. 6087 would require any entity that seeks to protest the issuance of an oil and gas lease, application for permit to drill, or right-of-way to conduct oil and gas activities on federal lands to pay a fee to file the protest. Under the bill, for a single activity entities would be required to pay \$150 to file a protest of 10 or fewer pages. Additional charges would be assessed at \$10 per additional activity challenged and \$5 per page after the first 10. Those amounts would be adjusted for inflation.

Using information from the Bureau of Land Management (BLM), CBO estimates that about 2,000 parcels would be offered annually for oil and gas leasing (roughly the average for the 2008-2017 period) and that protests would be filed to challenge the issuance of leases for 80 percent to 90 percent of those parcels. (The protest rate has increased from 18 percent four years ago to 88 percent currently.) CBO expects that the number of challenges to applications for permits to drill and for rights of way to conduct oil and gas activities on federal lands would be negligible.

The increase in fees under the bill would be treated as reductions in direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any receipts would total less than \$500,000 in each year. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 6087 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 6087 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.