Congressional Budget Office
Cost Estimate

November 7, 2019

S. 607, Timely Review of Infrastructure Act

As reported by the Senate Committee on Energy and Natural Resources on October 22, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Statutory pay-as-you-go procedures apply?	No	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000

S. 607 would authorize the Federal Energy Regulatory Commission (FERC) to increase the compensation for certain positions if the agency certifies that the compensation under current law is insufficient to retain or attract personnel. The certifications would be valid for five years and could be extended.

FERC employees whose work primarily involves using skills related to science, technology, engineering, or mathematics would be eligible for the higher compensation. Currently, the agency has about 400 positions that fit that description. Implementing the bill would increase FERC's costs to the extent that FERC increases employee compensation using the process authorized in S. 607. According to the agency, the annual median salary for petroleum engineers at FERC is about $50,000 less than the annual median salary for petroleum engineers in the Washington, D.C. area. Using the assumptions that the pay gap is similar for other affected personnel and that FERC would gradually close the gap over a five-year period beginning in 2021, CBO estimates that FERC's real compensation costs would increase by about $40 million over the 2021-2024 period.

However, because FERC is authorized to recover 100 percent of its costs through user fees, any change in agency costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges. Thus, implementing those provisions would result in no net change in discretionary spending.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

The bill also would require the Department of Energy to report to the Congress on the department's authority to implement flexible compensation models. CBO estimates that implementing that provision would not have a significant effect on discretionary spending over the 2020-2024 period; any spending would be subject to the availability of appropriated funds.

If FERC increased fees, it would increase the cost of an existing mandate on public and private entities, such as electric utilities, that are required to pay those fees. CBO estimates that the additional amount collected would average about $12 million annually and fall well below the annual threshold established in UMRA for intergovernmental and private-sector mandates ($82 million and $164 million in 2019, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Aaron Krupkin (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.