Douglas W. Elmendorf, Director



June 13, 2012

Honorable David Dreier Chairman Committee on Rules U.S. House of Representatives Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4480, the Strategic Energy Production Act of 2012, as posted on the Web site of the House Committee on Rules (Committee Print 112-24). CBO estimates that enacting the bill would reduce direct spending by \$385 million over the 2013-2022 period; therefore, pay-as-you-go procedures apply. Enacting the bill would not affect revenues. In addition, CBO estimates that implementing the bill would cost \$189 million over the 2013-2017 period, assuming appropriation of the necessary amounts. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

H.R. 4480 would establish certain fees for activities related to the development of oil and gas on federal lands. The bill also would direct the Secretary of the Interior to take actions aimed at facilitating onshore oil and gas leasing and production on federal lands; direct the Department of Energy to develop a plan to increase the amount of acreage leased for oil and gas development on federal lands if the department sells oil from the Strategic Oil Reserve; and establish an interagency committee to analyze the impact of certain rules and actions taken by the Environmental Protection Agency on gasoline, diesel fuel, and natural gas prices.

H.R. 4480 combines five bills approved by the House Committee on Natural Resources and two bills approved by the House Committee on Energy and Commerce. CBO has prepared cost estimates for the following bills:

• H.R. 2150, the National Petroleum Reserve Alaska Access Act, as ordered reported by the House Committee on Natural Resources on July 13, 2011;

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- H.R. 2752, the BLM Live Internet Auctions Act, as ordered reported by the House Committee on Natural Resources on October 5, 2012;
- H.R. 4381, the Planning for American Energy Act of 2012, as ordered reported by the House Committee on Natural Resources on May 16, 2012;
- H.R. 4382, the Providing Leasing Certainty for American Energy Act of 2012, as ordered reported by the House Committee on Natural Resources on May 16, 2012;
- H.R. 4383, the Streamlining Permitting of American Energy Act of 2012, as ordered reported by the House Committee on Natural Resources on May 16, 2012;
- H.R. 4471, the Gasoline Regulations Act of 2012, as ordered reported by the House Committee on Energy and Commerce on April 25, 2012; and
- H.R. 4480, the Strategic Energy Production Act of 2012, as ordered reported by the House Committee on Energy and Commerce on May 17, 2012.

These cost estimates provide further details on the budgetary effects of the components of H.R. 4480. The CBO staff contact is Jeff LaFave.

Sincerely,

Douglas W. Elmenderf

Douglas W. Elmendorf Director

Enclosures

cc: Honorable Louise Slaughter Ranking Minority Member

	By Fiscal Year, in Millions of Dollars									
	2013	2014	2015	2016	2017	2013- 2017				
CI	HANGES IN I	DIRECT SPI	ENDING ^a							
Application for Permit to Drill Fees										
Estimated Budget Authority	-33	-36	-36	-36	-36	-176				
Estimated Outlays	-33	-36	-36	-36	-36	-176				
Protest Fees										
Estimated Budget Authority	-3	-3	-3	-3	-3	-15				
Estimated Outlays	-3	-3	-3	-3	-3	-15				
Prohibition on Lease Deferrals										
Estimated Budget Authority	*	*	*	*	*	-1				
Estimated Outlays	*	*	*	*	*	-1				
Total Changes										
Estimated Budget Authority	-36	-39	-39	-39	-39	-192				
Estimated Outlays	-36	-39	-39	-39	-39	-192				
CHANGES IN	SPENDING	SUBJECT T	O APPROP	RIATION						
Oil and Gas Administrative Costs										
Estimated Authorization Level	18	19	19	19	19	95				
Estimated Outlays	17	19	19	19	19	94				
Renewable Energy Administrative Costs										
Estimated Authorization Level	6	9	13	17	19	64				
Estimated Outlays	6	9	12	16	19	62				
Other Costs										
Estimated Authorization Level	20	3	3	3	3	33				
Estimated Outlays	16	7	3	3	3	33				
Total Changes										
Estimated Authorization Level	44	32	35	39	42	191				
Estimated Outlays	39	35	35	39	41	189				

TABLE 1.ESTIMATED BUDGETARY EFFECTS OF H.R. 4480, THE STRATEGIC ENERGY
PRODUCTION ACT OF 2012, AS POSTED ON THE WEB SITE OF THE HOUSE
COMMITTEE ON RULES ON JUNE 8, 2012

Note: Components may not sum to totals because of rounding; * = less than \$500,000.

a. CBO estimates that enacting the bill would increase offsetting receipts by \$39 million a year over the 2018-2022 period, for a total increase of \$385 million over the 2013-2022 period.

TABLE 2.CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 4480, THE STRATEGIC ENERGY
PRODUCTION ACT OF 2012, AS POSTED TO THE WEB SITE OF THE HOUSE COMMITTEE ON
RULES ON JUNE 8, 2012

	By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012- 2017	2012- 2022
NET DECREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	-36	-39	-39	-39	-39	-39	-39	-39	-39	-39	-192	-385