



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 2, 2007

H.R. 1126

**A bill to reauthorize the Steel and Aluminum Energy Conservation and
Technology Competitiveness Act of 1988**

*As ordered reported by the House Committee on Science and Technology
on February 28, 2007*

SUMMARY

H.R. 1126 would authorize appropriations totaling \$60 million over the 2008-2012 period for research and development to enhance the energy efficiency of processes to manufacture metals, particularly steel and aluminum. Assuming appropriation of the specified amounts, CBO estimates that implementing the bill would increase discretionary spending by \$6 million in 2008 and \$54 million over the next five years. Enacting H.R. 1126 would not affect direct spending or revenues.

H.R. 1126 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

For this estimate, CBO assumes that H.R. 1126 will be enacted before the end of fiscal year 2007 and that appropriations will be provided as specified in the bill. The estimated budgetary impact of H.R. 1126 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Research on Energy Efficiency of Metals Manufacturing						
Budget Authority ^a	7	0	0	0	0	0
Estimated Outlays	6	2	0	0	0	0
Proposed Changes						
Authorization Level	0	12	12	12	12	12
Estimated Outlays	0	6	12	12	12	12
Spending Under H.R. 1126 for Research on Energy Efficiency of Metals Manufacturing						
Authorization Level ^a	7	12	12	12	12	12
Estimated Outlays	6	8	12	12	12	12

a. The 2007 level is the amount appropriated for that year for programs to improve the energy efficiency of metals manufacturing.

BASIS OF ESTIMATE

H.R. 1126 would reauthorize the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988. The bill would authorize the appropriation of \$12 million a year over the 2008-2012 period for research and development to enhance the energy efficiency of processes to manufacture steel, aluminum, and other metals. It also would expand research authorized under the act to include processes that make bar steel and technologies to reduce greenhouse gas emissions. Based on historical spending patterns for similar activities, CBO estimates that fully funding H.R. 1126 would increase discretionary spending by \$6 million in 2008 and \$54 million over the next five years, assuming appropriation of the specified amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1126 contains no intergovernmental or private-sector mandates as defined in UMRA. Funds authorized in the bill would benefit institutions of higher education that participate in research programs to improve the energy efficiency of metals. Any costs that they might incur, including matching funds, would result from complying with conditions of federal assistance.

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