



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Douglas W. Elmendorf, Director

June 26, 2009

Honorable Henry A. Waxman
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Based on a review of H.R. 2998, the American Clean Energy and Security Act, as amended and reported by the House Committee on Rules on June 26, 2009, CBO and the Joint Committee on Taxation (JCT) estimate that enacting the legislation would increase revenues by \$873 billion over the 2010-2019 period and would increase direct spending by \$864 billion over that 10-year period. In total, CBO and JCT estimate that enacting the legislation would reduce future budget deficits by about \$4 billion over the 2010-2014 period and by about \$9 billion over the 2010-2019 period (see enclosed table). CBO has not completed an estimate of the bill's estimated impact on discretionary spending.

CBO has determined that the nontax provisions of H.R. 2998 contain intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Several of those mandates would require utilities, manufacturers, and other entities to reduce greenhouse gas emissions through cap-and-trade programs. CBO estimates that the cost of mandates in the bill would well exceed the annual thresholds established in UMRA for intergovernmental and private-sector mandates (in 2009, \$69 million and \$139 million respectively, adjusted annually for inflation).

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If you wish further details on this estimate, we would be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), Leo Lex (for the state and local impact), and Patrice Gordon (for the private-sector impact).

Sincerely,

Douglas W. Elmendorf
Director

Enclosure

cc: Honorable Joe Barton
Ranking Member

Honorable Louise M. Slaughter
Chairwoman
Committee on Rules

Honorable David Dreier
Ranking Minority Member