
CBO Estimate of Pay-As-You Go Effects for H.R. 4402, the Critical Minerals Policy Act of 2012, with an amendment, as provided to CBO by the Senate Committee on the Budget on September 11, 2012 (END12743)

	By Fiscal Year, in Millions of Dollars												2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact ^a	0	30	-140	-95	-65	-45	-20	0	0	0	0	-315	-335	

- a. H.R. 4402, as amended, would authorize the Department of the Interior (DOI) to retain a portion of the proceeds from the sale of helium from the Federal Helium Reserve to pay for the costs of operating the reserve. Under current law, CBO expects that the agency’s authority to retain those proceeds will end in 2013. After 2013, any funds necessary to operate the Federal Helium Reserve would need to be appropriated by the Congress, and any offsetting receipts from the sale of helium from the reserve would be contingent on the appropriation of such funds. Because H.R. 4402 would authorize DOI to retain proceeds from helium sales to cover the costs of operating the Federal Helium Reserve after 2013, CBO estimates that implementing the legislation would increase offsetting receipts from the sale of helium by \$365 million over the 2014-2019 period. DOI would have the authority to retain proceeds after 2019; however, CBO estimates that the costs to operate the Federal Helium Reserve would exceed the total proceeds from the sale of helium. Thus, CBO expects that proceeds from the sale of helium after 2019 would be contingent on appropriated funds to cover the costs of operating the reserve.

The bill also would reduce the royalty rate on the value of soda ash produced on federal lands from 6 percent to 2 percent through 2013. Based on information from the Bureau of Land Management, CBO expects that, under the bill, firms that paid 6 percent in royalties during 2012 would receive refunds in 2013 of any amounts in excess of the 2 percent rate established by the bill, which CBO estimates would total \$15 million. We also estimate that implementing the legislation would reduce offsetting receipts from royalty collections by \$15 million in 2013. In total, we estimate that implementing this provision would increase direct spending by \$30 million in 2013.

On net, CBO estimates that implementing H.R. 4402, as amended, would reduce direct spending by \$335 million over the 2012-2022 period.
