Congressional Budget Office
Cost Estimate

August 2, 2019

S. 816, Small Scale LNG Access Act of 2019

As ordered reported by the Senate Committee on Energy and Natural Resources on July 16, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	0

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

* = between -$500,000 and zero.

Under current regulations, the Department of Energy (DOE) issues expedited approvals for applications to export no more than 51.75 billion cubic feet of natural gas in a year to any nonsanctioned country with which the United States does not have a free trade agreement (FTA), provided that the exports do not come from facilities that require review under the National Environmental Policy Act (NEPA). S. 816 would codify existing regulations and would waive DOE's NEPA criterion for all applications to export small volumes of natural gas to non-FTA countries.

CBO expects that implementing S. 816 would further expedite the approval of applications relative to current law. According to DOE, small-volume exports represent less than one percent of the total amount of approved natural gas exports to non-FTA countries to date. On that basis, and considering the number of such applications submitted in recent years, CBO estimates that any increase in the number of applications and the volume of gas exported would be small.

Payments from mineral leasing on federal lands are recorded in the budget as offsetting receipts, or reductions in direct spending. Changes in the price of gas or in the production of gas on federal lands, or a combination of the two, could affect those payments. CBO expects that any additional demand for gas exports under the bill would be met by a commensurate increase in supply, resulting in no significant change in the price of gas.

In addition, CBO expects that any increase in the production of gas would probably occur in states that accounted for 80 percent of gas exports over the 2013-2017 period. Because those states, including Michigan, Texas, and New York, contain only small amounts of federal land (between 0.5 percent and 10 percent of the total land area in each state), we estimate that any increase in the production of gas on federal lands would be small, and that the net increase in receipts would be insignificant over the 2019-2029 period.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.