Congressional Budget Office
Cost Estimate

October 27, 2020

H.R. 1426, Timely Review of Infrastructure Act

As ordered reported by the House Committee on Energy and Commerce on July 15, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	not estimated

Statutory pay-as-you-go procedures apply?	No	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

H.R. 1426 would authorize the Federal Energy Regulatory Commission (FERC) to increase the compensation for certain positions if the agency certifies that the compensation under current law is insufficient to retain or attract personnel. The certifications would be valid for five years and could be extended.

FERC employees whose work primarily involves using skills related to science, technology, engineering, or mathematics would be eligible for the higher compensation. Currently, the agency has about 400 positions that fit that description. Implementing the bill would increase FERC's costs to the extent that FERC increases employee compensation using the process authorized in H.R. 1426. According to the agency, the annual median salary for petroleum engineers at FERC is about $50,000 less than the annual median salary for petroleum engineers in the Washington, D.C. area. Using the assumptions that the pay gap is similar for other affected personnel and that FERC would gradually close the gap over a five-year period, CBO estimates that FERC's real compensation costs would increase by about $60 million over the 2021-2025 period.

However, because FERC is authorized to recover 100 percent of its costs through user fees, any change in agency costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges. Thus, implementing those provisions would result in no net change in discretionary spending.

If FERC increased fees, it would increase the cost of an existing mandate on public and private entities, such as electric utilities, that are required to pay those fees. CBO estimates that the additional amount collected would average about $12 million annually and fall well below the annual threshold established in the Unfunded Mandates Reform Act for intergovernmental and private-sector mandates ($84 million and $168 million in 2020, respectively, adjusted annually for inflation).

On November 7, 2019, CBO transmitted a cost estimate for S. 607, the Timely Review of Infrastructure Act, as reported by the Senate Committee on Energy and Natural Resources on October 22, 2019. Although the two pieces of legislation are similar, the estimated gross cost of implementing the bill is higher for H.R. 1426, because that estimate includes costs through 2025 whereas the estimate for S. 607 only went through 2024. In both estimates, there would be no net cost to FERC. In addition, S. 607 would impose additional reporting requirements on the Department of Energy that are not in H.R. 1426. CBO's estimated costs reflect that difference.

The CBO staff contacts for this estimate are Aaron Krupkin (for federal costs) and Fiona Forrester (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.