



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

January 27, 2009

Honorable Paul Ryan
Ranking Member
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

As you requested, the Congressional Budget Office has estimated the costs of additional debt service that would result from enacting H.R. 1, the American Recovery and Reinvestment Act of 2009. Such costs are not included in CBO's cost estimates for individual pieces of legislation and are not counted for Congressional scorekeeping purposes for such legislation.

Under CBO's current economic assumptions and assuming that none of the direct budgetary effects of H.R. 1 are offset by future legislation, CBO estimates that the government's interest costs would increase by \$0.7 billion in fiscal year 2009 and by a total of \$347 billion over the 2009-2019 period (see enclosed table).

If you would like any additional information, we would be happy to provide it. The CBO staff contact is Eric Schatten, who can be reached at 226-2880.

Sincerely,

A handwritten signature in cursive script that reads "Douglas W. Elmendorf".

Douglas W. Elmendorf
Director

Enclosure

cc: Honorable John M. Spratt Jr.
Chairman

January 27, 2009

CBO's Estimate of the Debt Service Costs Associated with H.R. 1, the American Recovery and Reinvestment Act of 2009

(Billions of Dollars, by Fiscal Year)

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2009- 2019</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------------|
| Estimated increase in the deficit (before debt service) | 169.5 | 356.0 | 173.9 | 48.5 | 25.3 | 23.9 | 11.0 | 0.1 | 1.3 | 2.9 | 3.4 | 815.9 |
| Debt service | 0.7 | 4.1 | 11.1 | 22.0 | 31.9 | 37.5 | 42.1 | 45.4 | 48.1 | 50.6 | 53.6 | 347.1 |
