



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 6, 2006

H.R. 4080
Glendo Unit of the Missouri River Basin Project
Contract Extension Act of 2005

As ordered reported by the House Committee on Resources on March 29, 2006

H.R. 4080 would extend—for up to two years—contracts between the Bureau of Reclamation and purchasers of irrigation water in Wyoming and Nebraska that receive water from the Glendo Reservoir. The existing contracts expired on December 31, 2005, and the bureau negotiated a temporary contract through April 30, 2006. Any costs associated with the temporary contracts are paid by the local water contractors. Under current law, the Secretary of the Interior can renew these contracts annually, but they require the Secretary to prepare an environmental impact statement and carry out mitigation efforts. Under H.R. 4080, the bureau would avoid the costs associated with annual renewals.

CBO estimates that enacting H.R. 4080 would have no significant impact on the federal budget. Based on information provided by the Bureau of Reclamation, CBO estimates that enacting H.R. 4080 would allow the bureau to avoid costs of less than \$500,000 in 2006 and smaller amounts in future years. Those costs are subject to the availability of appropriated funds, but the agency is reimbursed by individuals contracting for water, and the reimbursements are deposited in the Treasury as offsetting receipts (a form of direct spending). The potential loss of offsetting receipts would match the potential reduction in spending subject to appropriation, and we estimate that both would be insignificant.

H.R. 4080 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit the water purchasers (generally government entities) affected by this bill because it would allow them to avoid the costs of annual renewals.

The CBO staff contacts are Julie Middleton (for federal costs), and Lisa Ramirez-Branum (for the impact on state and local governments). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.