



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 20, 2006

H.R. 3929

Dana Point Desalination Project Authorization Act

*As ordered reported by the Senate Committee on Environment and Public Works
on September 13, 2006*

SUMMARY

H.R. 3929 would authorize the Secretary of the Interior to assist the Municipal Water District of Orange County with research and development activities, environmental and feasibility studies, and preliminary engineering for a desalination plant in Dana Point, California. The act would authorize the appropriation of \$2.5 million for these activities. The authority would terminate within 10 years, and the federal share of the project's studies and initial engineering costs could not exceed 25 percent. In addition, the act would authorize the appropriation of \$500,000 for a feasibility study to assess the cost-effectiveness and environmental impact of different techniques for providing potable water to the state of Rhode Island.

Assuming appropriation of the authorized amount, CBO estimates that implementing H.R. 3929 would cost \$3 million over the 2007-2008 period. Enacting H.R. 3929 would not affect direct spending or revenues.

H.R. 3929 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); the act would benefit the state of Rhode Island and Orange County, California, and any costs would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3929 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

For this estimate, CBO assumes that H.R. 3929 will be enacted near the beginning of fiscal year 2007 and that the authorized amounts will be appropriated in fiscal year 2007. Based

on historical spending patterns of similar projects, CBO estimates that implementing this act would cost \$3 million over the 2007-2008 period.

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	3	0	0	0	0
Estimated Outlays	2	1	0	0	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3929 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The act would authorize funding for desalination activities that would benefit the state of Rhode Island and the water district in Orange County, California. Any costs incurred would be voluntary.

PREVIOUS CBO ESTIMATE

On November 30, 2005, CBO transmitted a cost estimate for H.R. 3929 as ordered reported by the House Committee on Resources on November 16, 2005. That version of the legislation did not include an authorization of appropriations for a potable water supply feasibility study for the state of Rhode Island. CBO's cost estimates reflect the different levels of authorized funding in the two versions of the legislation.

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