



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 16, 2001

S. 1021
A bill to reauthorize the Tropical Forest Conservation Act of 1998
through fiscal year 2004

As reported by the Senate Committee on Foreign Relations
on July 12, 2001

SUMMARY

S. 1021 would extend the Tropical Forest Conservation Act for three years through 2004 and would authorize the appropriation of \$225 million for the cost of implementing the act over that period. Assuming the appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$221 million over the 2002-2006 period. Because S. 1021 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

The Tropical Forest Conservation Act authorizes the Secretary of State to negotiate agreements with eligible countries to create local funds administered by local boards with the authority to make grants to preserve, maintain, and restore tropical forests. The local funds receive a stream of payments generated by modifying the terms of outstanding development assistance or food-aid debt owed to the United States. The debt modifications include authority to reduce and to restructure debt, to swap the debt, or to sell the debt back to an eligible country in ways that will generate income for the local funds. The amounts authorized by S. 1021 would be used to cover the cost, as defined by the Federal Credit Reform Act, of modifying the debt.

S. 1021 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1021 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Debt Reduction of Developing Countries with Tropical Forests						
Budget Authority ^a	13	0	0	0	0	0
Estimated Outlays	6	13	0	0	0	0
Proposed Changes						
Authorization Level	0	50	75	100	0	0
Estimated Outlays	0	13	36	69	64	39
Spending Under S. 1021 for Debt Reduction of Developing Countries with Tropical Forests						
Authorization Level ^a	13	50	75	100	0	0
Estimated Outlays	6	26	36	69	64	39

a. The 2001 level is the amount appropriated for that year for the cost of implementing the Tropical Forest Conservation Act of 1998.

BASIS OF ESTIMATE

CBO assumes that the authorized amounts would be appropriated by the start of each fiscal year and that outlays would follow historical spending patterns.

PAY-AS-YOU-GO CONSIDERATIONS: None

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1021 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On June 21, 2001, CBO prepared an estimate for H.R. 2131, a bill to reauthorize the Tropical Forest Conservation Act of 1998 through fiscal year 2004, and for other purposes, as ordered reported by the House Committee on International Relations. The amounts authorized and the estimated cost of implementing that bill and S. 1021 are the same.

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