



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 8, 2004

H.R. 2933
Critical Habitat Reform Act of 2004

As ordered reported by the House Committee on Resources on July 21, 2004

SUMMARY

Under the Endangered Species Act (ESA), certain species of plants and animals are listed as threatened or endangered based on assessments of the risk of their extinction. The act generally requires federal agencies to designate habitat that is critical to the recovery of such species. H.R. 2933 would amend current law to alter the process for designating such habitat.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 2933 would cost \$2 million in 2005 and \$12 million over the next five years. The bill would not affect direct spending or revenues. H.R. 2933 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2933 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	2	2	2	3	3
Estimated Outlays	2	2	2	3	3

BASIS OF ESTIMATE

Under the ESA, the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS) designate habitat that is critical to the recovery of threatened or endangered species. Based on information from those agencies, CBO estimates that spending for designating critical habitat will total about \$10 million in fiscal year 2004. That amount includes the cost of biological surveys of species' habitat requirements, analysis of the direct economic impact of potential designations, efforts to inform and involve the public in the designation process, and administrative expenses.

H.R. 2933 would amend the ESA to alter the process for designating critical habitat for threatened and endangered species. The bill would change the definition of critical habitat to include more specific criteria, specify new deadlines for designating critical habitat, require federal agencies to conduct broader economic analyses of the impact of designating critical habitat, and direct those agencies to consider input from state and local governments.

Based on information from the USFWS and the NMFS, CBO estimates that implementing H.R. 2933 would cost \$2 million in 2005 and \$12 million over the 2005-2009 period, assuming appropriation of the necessary amounts. That estimate includes \$1 million in 2005 and \$7 million over the next five years for the cost of broader economic analyses of critical habitat designations. The estimate also includes \$1 million a year for increased administrative costs to the agencies.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2933 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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