



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 14, 2005

S. 231

Wallowa Lake Dam Rehabilitation and Water Management Act of 2005

*As ordered reported by the Senate Committee on Energy and Natural Resources
on February 9, 2005*

SUMMARY

S. 231 would authorize the Bureau of Reclamation to participate in the rehabilitation of the Wallowa Lake Dam in Oregon and the implementation of the Wallowa Valley Water Management Plan. The bill would limit the bureau's share of the rehabilitation costs to 80 percent. Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 231 would cost \$25 million over the 2006-2010 period. In addition, we estimate that implementing S. 231 would result in additional net direct spending by the Bonneville Power Administration (BPA) of \$5 million over the 2006-2010 period. The federal government would not hold title to any facility rehabilitated or constructed under this bill, nor would the federal government be responsible for the operation and maintenance of those facilities.

S. 231 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 S. 231 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 | | | | |
|--|--|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

| | | | | | |
|--|---|---|---|---|---|
| Rehabilitation Spending by the Bureau of Reclamation | | | | | |
| Estimated Authorization Level | 5 | 7 | 7 | 7 | 0 |
| Estimated Outlays | 2 | 4 | 7 | 7 | 5 |

CHANGES IN DIRECT SPENDING

| | | | | | |
|----------------------------|---|---|---|---|---|
| Net BPA Spending | | | | | |
| Estimated Budget Authority | 5 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 2 | 2 | 1 | a | a |

a. Collections of less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 231 will be enacted by the end of fiscal year 2005 and that spending would occur at the same rate as similar bureau and BPA projects.

Spending Subject to Appropriation

Based on information from the Bureau of Reclamation, CBO estimates that the total cost of rehabilitating the Wallowa Lake Dam in Oregon and implementing the Wallowa Valley Water Management Plan would be about \$32.6 million. S. 231 would authorize the appropriation of \$25.6 million for the bureau's share of the cost of those projects. The remaining \$7 million would be paid by the BPA and the Bonneville Power Foundation, a nonprofit organization. Based on information from the bureau, we expect that rehabilitation of the dam and implementation of the management plan would take five years and that funds will be appropriated in roughly equal installments over that period to complete the projects. Assuming appropriation of the authorized amount, we estimate that implementing the bill would cost the bureau \$25 million over the 2006-2010 period, and an additional \$1 million after that period.

Direct Spending

Implementing S. 231 also would result in additional direct spending by BPA of \$5 million over the 2006-2010 period for structures to allow for safe passage of fish through the Wallowa Lake Dam projects authorized in the bill. Such spending is authorized under current law, but BPA would not make these investments without the bureau's involvement in the Wallowa Lake projects. Because BPA must recover its costs through the sale of electricity, any additional spending would be offset by slightly higher proceeds from electricity sales over the next 15 to 20 years. Consequently, BPA's additional spending would have a negligible net budgetary impact over many years.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 231 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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