



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

March 13, 1998

**H.R. 2870  
Tropical Forest Conservation Act of 1998**

*As ordered reported by the House Committee on International Relations on  
March 11, 1998*

**SUMMARY**

H.R. 2870 would authorize 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 would receive a stream of interest payments generated by modifying the terms of outstanding development assistance or food-aid debt owed to the United States. In addition, the bill would authorize the President to reduce or cancel such debt, to use the debt for debt-for-nature swaps, or to allow an eligible country to buy back its debt. The bill would authorize the appropriation of \$325 million over the fiscal years 1999-2001 for the cost of modifying debt, and CBO estimates that outlays totaling that amount would be recorded over the 1999-2003 period.

Because H.R. 2870 would not affect direct spending or receipts, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2870 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

**BASIS OF ESTIMATE**

The estimate assumes enactment of H.R. 2870 and subsequent appropriation of the amounts authorized by the bill. Outlays would be recorded at the time outstanding debts are modified.

The estimate assumes it will take from one to three years to negotiate agreements with eligible countries and to sign bilateral agreements that cancel, reduce, sell, or otherwise modify outstanding debt.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
for Debt Restructuring						
Budget Authority <sup>a</sup>	27	0	0	0	0	0
Estimated Outlays	31	15	1	0	0	0
Proposed Changes						
Authorization Level	0	50	125	150	0	0
Estimated Outlays	0	23	81	133	81	8
Spending Under H.R. 2870						
for Debt Restructuring						
Authorization Level <sup>a</sup>	27	50	125	150	0	0
Estimated Outlays	31	38	82	133	81	8

a. The 1998 level is the amount appropriated for that year.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

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

### **ESTIMATE PREPARED BY:**

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### **ESTIMATE APPROVED BY:**

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