



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 3, 1998

H.R. 3297

A bill to suspend the continued development of a roadless area policy on public domain units and other units of the National Forest System pending adequate public participation and determinations that a roadless area policy will not adversely affect forest health

As ordered reported by the House Committee on Resources on March 25, 1998

SUMMARY

H.R. 3297 would prohibit the Administration from issuing a rule to suspend road construction activities, including the construction of temporary roads, in roadless areas within the National Forest System. Under the bill, the prohibition would be in effect until the Secretary of Agriculture conducts public hearings on the rule in every unit of the National Forest System and reports to the Congress on those hearings. The bill also provides that if a rule to suspend road construction is issued before the bill is enacted, the Secretary shall suspend implementation of the rule until the hearings and reports described in the bill are completed.

CBO estimates that enacting H.R. 3297 would have no significant budgetary impact. It is possible, however, that enacting the bill would lead to significant changes in either discretionary spending or direct spending, depending on what actions the Administration would take under current law and under the bill. (The alternative scenarios are discussed below.) Because enacting H.R. 3297 could affect direct spending by increasing offsetting receipts, pay-as-you-go procedures would apply, but we estimate that the direct spending effect would be zero. H.R. 3297 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The Forest Service has published in the Federal Register a proposed interim rule that would, if adopted, temporarily suspend road construction and reconstruction in certain roadless areas in the National Forest System. Under the current law baseline, CBO did not assume that the

Administration would implement the proposed interim rule. Furthermore, we expect that the most likely outcome of enacting the bill would be that the Administration would not attempt to implement the proposed rule. Therefore, relative to the baseline, we estimate that enacting H.R. 3297 would maintain the status quo and would not affect either receipts from the sale of timber or discretionary spending by the Forest Service.

Other outcomes are possible, however. Depending on what policy the Administration chooses to pursue, both under current law and under the bill, enacting H.R. 3297 could reduce direct spending by increasing offsetting receipts from timber sales, or increase discretionary spending by \$50 million or more over the next two or three fiscal years to cover the costs of conducting public hearings and issuing subsequent reports. The scenarios that would lead to those alternative budgetary results are as follows:

- One might assume that, under current law, the Administration would implement its proposed rule. If so, offsetting receipts from timber harvesting and payments to states based on a percentage of such receipts would both likely decrease because timber purchasers would have restricted access to timber in roadless areas. If, under the constraints of H.R. 3297, the Administration would decide not to impose the proposed rule, the potential decrease in offsetting receipts would be avoided.
- Alternatively, one might assume that the Administration would implement the rule it has proposed under current law and would seek to do so as well pursuant to H.R. 3297. Under this scenario, CBO estimates that enacting the bill would increase discretionary costs by \$50 million or more over the next two or three years to carry out public hearings and reports on those hearings for each of more than 225 units in the National Forest System. In addition, enacting the bill would delay the potential decrease in offsetting receipts from implementing the rule, and offsetting receipts would be higher over the next two to three years than would otherwise be the case.

Potential costs of this legislation would fall within budget functions 300 (natural resources and the environment) and 800 (general government).

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Because enacting H.R. 3297 could affect direct spending by increasing offsetting receipts, pay-as-you-go procedures would apply. Relative to the CBO baseline, we estimate that

enacting the bill would not change offsetting receipts from timber sales; therefore, we estimate that there would be no effect on direct spending.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3297 contains no intergovernmental or private-sector mandates as defined in UMRA. Because the proposed rule regarding roadless areas is not currently in force, enactment of this bill would not change the amount of timber receipts paid to states or otherwise affect the budgets of state, local, or tribal governments.

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