



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

October 20, 2000

H.R. 2348

An act to authorize the Bureau of Reclamation to provide cost sharing for the endangered fish recovery implementation programs for the Upper Colorado River and San Juan River basins

As cleared by the Congress on October 13, 2000

SUMMARY

H.R. 2348 would authorize the Secretary of the Interior to participate in fish recovery programs in the Upper Colorado River and the San Juan River basins. The act would affect direct spending by authorizing the use of three funding sources for these efforts. First, the act would allow the use of up to \$17 million from states participating in the programs. Second, it would authorize the Western Area Power Administration (WAPA) to borrow \$17 million from the state of Colorado to help fund these projects, and it would authorize WAPA to repay this loan by increasing electricity sales rates over the 2012-2057 period. Finally, the act would authorize the use of about \$6 million annually from certain proceeds from WAPA's electricity sales to fund specified operations and maintenance activities.

CBO estimates that enacting H.R. 2348 would increase direct spending by \$44 million over the 2001-2005 period and \$78 million over the 2001-2010 period. Some of these costs would be offset over the 2012-2057 period by increases in the rates WAPA charges to electricity customers.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO's estimate of the impact of H.R. 2348 on direct spending is shown in the following table. Only the estimated changes in the budget year and the succeeding four years are counted for pay-as-you-go purposes. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	8	8	10	9	9	8	8	6	6	6
Changes in receipts										

BASIS OF ESTIMATE

Contributions From States

CBO expects that Colorado, Wyoming, Utah, and New Mexico would contribute to the federal government the full \$17 million that would be authorized by the act for the construction of projects for fish recovery. We expect that states' contributions would approximately match the needs for completing capital projects, so that net spending and receipts from this provision would not be significant in any year.

Borrowing From Colorado

H.R. 2348 would authorize WAPA to borrow and spend up to \$17 million from the Colorado Water Conservation Board Construction Fund (a fund of the state government). We expect these funds would be borrowed in 2001 and that outlays would total \$13 million over the 2001-2005 period, with the remaining \$4 million spent over fiscal years 2006 and 2007. Under the provisions of the act, this loan of \$17 million would be repaid to the state of Colorado, with interest, starting in 2012. (The receipt of these funds and the subsequent loan principal repayment to Colorado would be treated in the budget as a means of financing, and would not affect spending.) The act would direct WAPA to raise electricity rates for certain customers by a sufficient amount to repay this loan over the 2012-2057 period. Therefore, this provision would cause a small net annual change in direct spending beginning in 2012 as funds are collected and interest payments are made to repay this loan over a 45-year period.

Spending Certain WAPA Electricity Receipts

H.R. 2348 would authorize the Secretary of the Interior to spend about \$6 million a year from the proceeds of certain WAPA electricity sales to pay for the operation and

maintenance costs, and other noncapital costs of the endangered fish recovery programs in the Upper Colorado and San Juan River basins. The act would authorize the Secretary to adjust such spending for increases in inflation, and to continue this spending until 2011. After this date, spending would be authorized to continue, but only for operations and maintenance costs. CBO estimates this provision would increase direct spending by \$31 million over the 2001-2005 period, and by \$61 million over the 2001-2010 period. Under the act, this spending would not be offset by increases in the price of electricity sold by WAPA.

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