



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 30, 2000

S. 1109

Bear Protection Act of 1999

*As ordered reported by the Senate Committee on Environment and Public Works
on July 26, 2000*

SUMMARY

Assuming appropriation of the necessary amount, CBO estimates that implementing S. 1109 would cost the federal government about \$200,000 in fiscal year 2001 to prepare a required report to the Congress. Carrying out other provisions, most of which are related to enforcement activities, would have no significant impact on the federal budget. S. 1109 could affect both direct spending and receipts; therefore, pay-as-you-go procedures would apply. The effect of any such changes, however, would be minimal and largely offsetting.

S. 1109 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but this mandate would impose no significant costs on state, local, or tribal governments. Therefore, the threshold established in UMRA (\$55 million per year in 2000, adjusted annually for inflation) would not be exceeded. The bill would have no other significant impact on the budgets of those governments.

S. 1109 also would impose private-sector mandates as defined by UMRA, but CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA (\$109 million in 2000, adjusted annually for inflation).

MAJOR PROVISIONS

S. 1109 would prohibit any person from selling, importing, exporting, possessing, or transporting products containing (or labeled as containing) any substance derived from bear parts. The bill would establish both criminal fines and civil penalties to be imposed on anyone who violates the prohibition. In addition, it would require that products found in the possession of violators be seized and forfeited to the United States. The bill's fines and product forfeiture provisions are similar to those imposed under the Lacey Act, which

prohibits sales, imports, and other transactions involving endangered species. S. 1109 would direct the Secretaries of the Interior, the Treasury, and Transportation to enforce the legislation in the same manner as they enforce the Endangered Species Act (ESA) of 1973. Section 8 would require the U.S. Fish and Wildlife Service (USFWS) to submit a report, within one year of enactment, on the effort to end the illegal trade in bear parts.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

Assuming appropriation of the necessary amount, CBO estimates that the USFWS would incur costs of about \$200,000 to prepare the report required by section 8.

CBO expects that implementing S. 1109 would not increase the enforcement responsibilities of federal agencies because they would carry out the legislation in conjunction with a number of other very similar laws, such as the ESA. No additional enforcement efforts would be necessary except for the initial promulgation of regulations by the USFWS in consultation with other agencies, such as the Department of Health and Human Services.

S. 1109 could affect revenues from civil and criminal fines. CBO estimates, however, that any increase in revenues would be less than \$500,000 annually. Moreover, such changes would be offset by increases in direct spending from the crime victims fund (where criminal fines are deposited) or the resource management account of the USFWS (where civil fines are deposited and used for rewards to informers and other program costs).

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Because S. 1109 could affect both direct spending and receipts, pay-as-you-go procedures would apply, but CBO estimates that any such effects would not be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1109 contains an intergovernmental mandate as defined in UMRA, because the bill's prohibitions on trade in bear parts apply to state and local governments. This mandate would impose no significant costs on these governments, however, because they do not usually engage in the prohibited activities. The bill would have no other significant impact on the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 1109 would impose new private-sector mandates as defined in UMRA, but CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA (\$109 million in 2000, adjusted annually for inflation). The bill would prohibit the importation, exportation, and interstate trade of bear viscera or any product containing such bear parts. Under current law, anyone that wishes to import or export bear viscera or products containing bear viscera must obtain a permit under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Under S. 1109, CITES permits would no longer be allowed for the United States. Few of the CITES permits granted for the United States in the last several years have been for commercial trade. Based on information provided by wildlife preservation groups, the value of interstate trade in bear parts is small. CBO therefore concludes that the direct costs of mandates included within this bill would fall well below the threshold established in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Deborah Reis

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis