



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 8, 2001

H.R. 1157 **Pacific Salmon Recovery Act**

As ordered reported by the House Committee on Resources on May 16, 2001

SUMMARY

H.R. 1157 would authorize funding for salmon conservation programs in the Pacific Northwest. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1157 would cost the federal government \$510 million over the next five years. The bill would increase direct spending by mandating lump-sum payments to retirees of certain former international commissions, so pay-as-you-go procedures would apply. But CBO estimates that the cost of these payments would be less than \$500,000. H.R. 1157 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

H.R. 1157 would establish a grant program under the National Oceanic and Atmospheric Administration (NOAA) for salmon conservation and habitat restoration projects. For this purpose, the bill would authorize appropriations of \$200 million for each of fiscal years 2002, 2003, and 2004. The bill also would extend the existing authorization of appropriations to the Pacific Salmon Commission. Specifically, the legislation would authorize the appropriation of \$75 million for the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and \$65 million for the Southern Boundary Restoration and Enhancement Fund for each fiscal year through 2004. A portion of the \$340-million annual total is authorized under current law for 2002 and 2003. Finally, the bill would direct the President of the United States to provide additional retirement funds to former employees of the defunct International Pacific Salmon Fisheries Commission and International North Pacific Fisheries Commission.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The bill would increase the authorization levels for conservation and restoration grants by \$100 million in 2002 and 2003. It would also eliminate an existing \$30 million authorization

for grants for local economic assistance for 2002. Consequently, the net increase in grant funding under the bill would be \$70 million in 2002. The estimated budgetary impact of H.R. 1157 is shown in the following table. The costs of this legislation would fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Pacific Salmon Programs						
Authorization Level ^a	140	270	240	0	0	0
Estimated Outlays	100	254	247	74	33	0
Proposed Changes						
Authorization Level	0	70	100	340	0	0
Estimated Outlays ^b	0	137	133	273	-33	0
Spending Under H.R. 1157						
Authorization Level	140	340	340	340	0	0
Estimated Outlays	100	391	380	347	0	0

a. The 2001 level is the amount appropriated for that year for activities similar to those authorized by H.R. 1157. The levels for 2002 and 2003 are the amounts authorized for these purposes by Title VI of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001.

b. We estimate that implementing H.R. 1157 would reduce outlays in 2005 by \$33 million because the bill would mandate that conservation and restoration grants be paid to states and tribes more rapidly than expected under current law.

BASIS OF ESTIMATE

H.R. 1157 would authorize appropriations to benefit salmon conservation programs of the Pacific Salmon Commission, state conservation agencies in Alaska, Washington, Oregon, California, and Idaho, and Indian tribes in those states. For this estimate, CBO assumes that the full amounts authorized by H.R. 1157 will be appropriated and transferred to each eligible entity in each fiscal year. The estimate of outlays reflects the bill's requirement that grant money be paid in a lump sum to each eligible state or tribe once it submits a satisfactory conservation plan to NOAA.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Acts sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Section 9 would increase direct spending by requiring the federal government to make a payment to the retirees of two defunct international fisheries commissions. The payment would be the difference between the retirement benefits that they currently receive in Canadian dollars from an international pension society, and what those benefits would be if paid in U.S. dollars without accounting for the difference in the value of these currencies. The lump-sum payments would be equal to the difference in the exchange rate for these currencies for all past and estimated future retirement benefits. Based on information provided by the Department of State and the eligible retirees, CBO estimates that enacting section 9 would cost the federal government less than \$500,000 in fiscal year 2002 or 2003.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1157 contains no intergovernmental mandates as defined in UMRA. The bill would benefit Alaska, California, Idaho, Oregon, and Washington and tribal governments located in those states, by authorizing the Secretary of Commerce to grant them funds for salmon conservation and habitat restoration.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no new private-sector mandates as defined in UMRA.

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