



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 3, 2002

H.R. 3148
Alaska Native Veterans Land Allotment Equity Act
As ordered reported by the House Committee on Resource on September 12, 2002

SUMMARY

H.R. 3148 would amend current law to authorize the Secretary of the Interior to grant allotments of federal lands to certain Alaska Natives or their heirs. CBO estimates that implementing H.R. 3148 would cost \$11 million over the 2003-2007 period, assuming appropriation of the necessary amounts. The bill could increase direct spending, but we estimate that any such impact would not be significant.

H.R. 3148 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no significant impact on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3148 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	1	2	3	4	1
Estimated Outlays	1	2	3	4	1

BASIS OF ESTIMATE

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 3148 would cost \$11 million over the next five years. We also estimate that the bill could reduce offsetting receipts (a credit against direct spending), but by less than \$500,000 a year. For this estimate, CBO assumes that H.R. 3148 will be enacted early in fiscal year 2003 and that the necessary funds will be provided near the start of each fiscal year. Estimates of outlays are based on historical spending patterns for similar activities.

Spending Subject to Appropriation

H.R. 3148 would amend current law to authorize the Secretary of the Interior to grant allotments of federal lands to certain Alaska Natives who served in the armed forces in Vietnam during the period from August 5, 1964, to May 7, 1975. The bill also would authorize the Secretary to grant allotments to the heirs of eligible deceased veterans, and, under certain circumstances, would allow certain other Alaska Native individuals and organizations with existing allotments to withdraw those allotments and select other lands instead. H.R. 3148 would direct the Secretary to promulgate regulations to implement the proposed program and specifies that applications to participate could be submitted until three years after the date when those regulations are published. Under the bill, any application still pending as of January 31, 2007, would be automatically approved at that time, provided that no other party has contested the application.

Based on information from the Department of the Interior (DOI), CBO estimates that issuing regulations pursuant to H.R. 3148 would cost about \$1 million in 2003. We also estimate that eligible Alaska Natives would file up to 2,000 new applications for allotments. Assuming that, on average, the department spends \$5,000 to review each application permit, we estimate that the costs of processing those applications would total \$10 million over the 2004-2007 period.

Direct Spending

Under H.R. 3148, eligible Alaska Natives could apply for allotments on a wide variety of federal lands in Alaska, including those that might produce offsetting receipts from programs to develop natural resources. According to DOI, the Secretary is unlikely to approve applications for allotments on lands that are expected to generate significant receipts over the next 10 years. Under the bill, it is possible that some applications may be automatically

approved on January 31, 2007, even if the Secretary has not had sufficient time to review them. However, any applications so approved would be subject to valid existing rights; hence, we estimate that any forgone offsetting receipts under H.R. 3148 would likely be insignificant.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3148 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no significant impact on the budgets of state, local, or tribal governments.

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