



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 15, 2002

**H.R. 4840
Sound Science for Endangered Species Act Planning Act of 2002**

As reported by the House Committee on Resources on October 15, 2002

SUMMARY

Under the Endangered Species Act (ESA), certain species of plants and animals are listed as threatened or endangered based on assessments of the risk of their extinction. H.R. 4840 would amend the ESA to clarify the role of science as the basis for making certain decisions under that act.

CBO estimates that implementing H.R. 4840 would cost \$94 million over the 2003-2007 period, assuming appropriation of the necessary amounts. The bill would not affect direct spending or revenues. H.R. 4840 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4840 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	18	18	19	19	20
Estimated Outlays	18	18	19	19	20

a. In fiscal year 2002, federal agencies received about \$65 million for consultation and administrative expenses under the ESA. The Congress has not yet provided a full-year appropriation for such activities for the current year.

BASIS OF ESTIMATE

Under the ESA, the Secretary of the Interior and the Secretary of Commerce maintain a list of species that are threatened or endangered. The ESA outlines a multistage process of review and public participation that the two secretaries must follow in making decisions to list or unlist a species and develop plans for its recovery.

H.R. 4840 would amend the ESA to clarify the role of science as the basis for certain decisions under that act. Specifically, the bill would:

- Authorize the Secretaries of the Interior and Commerce to appoint independent scientific review boards to review particularly controversial ESA decisions before they become final;
- Direct the secretaries to solicit and consider information from state agencies, landowners, and others who might be affected by decisions under the ESA;
- Require the secretaries to promulgate regulations establishing criteria that scientific and commercial studies must meet in order to serve as the basis for decisions under the act; and
- Direct the secretaries to give greater weight to studies that use empirical or field-tested data.

Based on information from the Department of the Interior and the National Marine Fisheries Service, CBO estimates that funding scientific review boards would cost \$15 million in 2003 and \$79 million over the 2003-2007 period, assuming appropriation of the necessary amounts. That estimate assumes that the secretaries would appoint 200 panels each year at an average cost of \$75,000. Based on information from the agencies, we also estimate that meeting new requirements under H.R. 4840 would increase administrative costs by roughly \$3 million annually, assuming the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4840 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

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

Impact on the Private Sector: Jean Talarico

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis