



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 10, 2002

### **S. 1883**

### **Wallowa Lake Dam Rehabilitation and Water Management Act of 2001**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on July 31, 2002*

#### **SUMMARY**

S. 1883 would authorize the Bureau of Reclamation to participate in the rehabilitation of the Wallowa Lake Dam in Oregon and the implementation of the Wallowa Valley Water Management Plan. The bill would limit the federal share of the rehabilitation costs to 80 percent, excluding any funding by the Bonneville Power Administration (BPA). In addition, we estimate that implementing S. 1883 would result in spending by BPA of about \$5 million over the 2003-2007 period for fish mitigation activities. The federal government would not hold title to any facility rehabilitated or constructed under this act, nor would the federal government be responsible for the operation and maintenance of those facilities.

Assuming appropriation of the authorized amount, CBO estimates that implementing S. 1883 would cost about \$27 million over the 2003-2007 period and \$32 million over the 2003-2012 period. Because BPA's spending authority is not subject to appropriation, implementing S. 1883 also would result in direct spending of about \$5 million over the 2003-2007 period; therefore, pay-as-you-go procedures would apply.

S. 1883 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 S. 1883 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

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	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007

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**CHANGES IN SPENDING SUBJECT TO APPROPRIATION**

Spending by the Bureau of Reclamation					
Estimated Authorization Level	6	7	7	6	6
Estimated Outlays	2	5	7	7	6

**CHANGES IN DIRECT SPENDING**

Net Spending by BPA					
Estimated Budget Authority	5	0	0	0	0
Estimated Outlays	2	2	1	a	a

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a. Collections of less than \$500,000.

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## **BASIS OF ESTIMATE**

### **Spending Subject to Appropriation**

For this estimate, CBO assumes that S. 1883 will be enacted near the start of fiscal year 2003 and that the authorized amount will be appropriated in roughly equal increments over the next five years.

Based on information from the Bureau of Reclamation, CBO estimates the total cost of rehabilitating the Wallowa Lake Dam in Oregon and implementing the Wallowa Valley Water Management Plan would be about \$39 million. S. 1883 would authorize the appropriation of \$32 million for the Bureau's share of the cost of those projects. The remaining \$7 million would be paid by the BPA and the Bonneville Power Foundation, a nonprofit organization, to complete the projects.

Based on information from the Bureau, we expect that rehabilitation of the dam and implementation of the management plan would take five years and that funds will be appropriated in roughly equal installments over that period to complete the projects. Thus, assuming appropriation of the authorized amount, we expect that implementing the bill would cost about \$27 million over the 2003-2007 period and \$32 million over the 2003-2012 period.

## Direct Spending

Implementing S. 1883 also would result in additional direct spending by BPA of about \$5 million over the 2003-2007 period for fish mitigation activities related to the Wallowa Lake Dam projects authorized in the bill. Such spending is authorized under current law, but BPA would not make these investments without the Bureau's involvement in the Wallowa Lake projects. Because BPA must recover its costs through the sale of electricity, any additional spending would be offset by slightly higher proceeds from electricity sales over the next 15 to 20 years. Consequently, BPA's additional spending would have a negligible net budgetary impact over that period.

## 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. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. The changes in outlays after 2005 would be savings of less than \$500,000 a year for 10 to 15 years. For the purpose of enforcing pay-as-you-go procedures, only the effects through fiscal year 2006 are counted.

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	By Fiscal Year in Millions of Dollars											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Changes in Outlays		0	2	2	1	0	0	0	0	0	0	0
Changes in Receipts						Not applicable						

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## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1883 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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