



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 30, 2002

### **S. 506**

### **Huna Totem Corporation Land Exchange Act**

*As ordered reported by the House Committee on Resources on April 24, 2002*

CBO estimates that enacting S. 506 would have no significant impact on the federal budget. Because the legislation could affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply, but we estimate that any such impacts would be less than \$500,000 a year. S. 506 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments.

S. 506 would direct the Secretary of Agriculture to convey the surface estate of certain federal lands in the Tongass National Forest to the Huna Totem Corporation, and also convey the subsurface estate of those lands to the Sealaska Corporation. The lands to be conveyed would be selected by the two corporations from federal lands depicted on a map specified in the legislation. In exchange, the corporations would convey to the United States approximately 2,000 acres of surface and subsurface estate.

S. 506 does not specify the federal lands to be conveyed to the corporations, but it provides that the exchange be on the basis of equal value. Enacting S. 506 could affect offsetting receipts if the lands to be exchanged would generate income from activities such as timber harvesting. According to the Forest Service, the agency would generally consider the area acquired from the corporation to be unsuitable for timber harvesting because it lies within the watershed and viewshed of the village of Hoonah.

According to the agency, some of the federal lands that could be conveyed to the corporations might be harvested under current law. Another portion of the federal lands that could be conveyed to the corporations currently are not being harvested because they have been set aside as part of a conservation reserve under the Tongass National Forest management plan. If the corporations harvested those areas following the exchange, then the agency would be obligated under the forest management plan to reserve for conservation another area of federal land within the Tongass National Forest that otherwise would be harvested under current law. Hence, we expect that conveying any of these lands to the corporations would result in forgone offsetting receipts from timber harvests. Based on

information from the agency, however, we estimate that any such losses would be less than \$500,000 a year over the 2002-2012 period.

On May 18, 2001, CBO transmitted a cost estimate for S. 506 as ordered reported by the Senate Committee on Energy and Natural Resources. The two versions of the legislation are identical, and our cost estimates are the same.

The CBO staff contact for this estimate is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.