



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Douglas Holtz-Eakin, Director

October 21, 2004

Honorable Don Nickles
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

CBO has prepared an estimate of the costs of implementing S. 1791, an act to amend the Lease Lot Conveyance Act of 2002 to provide that amounts received by the United States under the act shall be deposited in the reclamation fund, and for other purposes, as cleared by the Congress on October 7, 2004.

S. 1791 would authorize the Secretary of the Interior to make proceeds from the sale of 403 cabin sites located in the Elephant Butte and Caballo State Parks in New Mexico available to the Elephant Butte Irrigation District and El Paso County Water Improvement District No. 1. Under this act, the districts would be able to use the proceeds from cabin-site sales for annual project repayment costs, for annual operations and maintenance costs, and for any other project purpose. CBO estimates that enacting this provision would increase direct spending by \$1 million a year, beginning in fiscal year 2005.

Honorable Don Nickles
Page 2

If you wish further details on this estimate, we will be pleased to provide them.
The CBO staff contact is Julie Middleton.

Sincerely,

Douglas Holtz-Eakin
Director

Enclosure

cc: Honorable Kent Conrad
Ranking Member

Honorable Pete V. Domenici
Chairman
Committee on Energy and Natural Resources

Honorable Jeff Bingaman
Ranking Member

Identical letter sent to the Honorable Jim Nussle.