



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 21, 2005

S. 1860

Water Supply Technology Program Act of 2005

*As ordered reported by the Senate Committee on Energy and Natural Resources
on November 16, 2005*

SUMMARY

S. 1860 would authorize research and development (R&D) on water supply technologies at the Department of Energy (DOE). The new program would support collaborative research by national laboratories, universities, and water agencies on practical applications of technologies in such areas as desalination, contaminant removal, and water reuse and recycling. The bill would authorize the appropriation of \$5 million for the program in 2006 and such sums as may be necessary thereafter. Other provisions would direct the Secretary of Energy to assess technology needs, set research priorities, and coordinate efforts with other agencies and a Water Supply Technology Advisory Panel.

CBO estimates that implementing this bill would cost about \$94 million over the 2006-2010 period, assuming appropriation of the necessary amounts. Enacting this bill would have no effect on direct spending or revenues.

S. 1860 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA). The bill would authorize a research and development program that would benefit participating institutions of higher education and water agencies. Any costs incurred by those entities would result from complying with conditions for receiving federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1860 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars				
	2006	2007	2008	2009	2010
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	5	15	25	35	45
Estimated Outlays	4	8	17	27	38

BASIS OF ESTIMATE

CBO assumes that the bill will be enacted by the end of calendar year 2005 and that the amounts necessary to implement the R&D program will be appropriated for each year. CBO estimates that implementing this program would require funding levels to increase from the \$5 million authorized for 2006 to about \$45 million by 2010.

As outlined by the bill, the program would support R&D by multiple parties—at least one national laboratory, one university, and a water supply agency—and focus on the development, demonstration and commercialization of complex technologies. Thus, CBO expects that this water supply program would be similar in scale to DOE’s other applied research and development initiatives, which generally spend between \$10 million and \$80 million a year. Estimated outlays are based on historical trends for such similar R&D programs.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1860 contains no intergovernmental or private-sector mandates as defined by UMRA. The bill would authorize a research and development program that would benefit participating institutions of higher education and water agencies. Any costs incurred by those entities would result from complying with conditions for receiving federal assistance.

ESTIMATE PREPARED BY:

Federal Costs: Kathleen Gramp

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Craig Cammarata

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis