



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 21, 2007

H.R. 285

Steel Industry National Historic Site Act

As ordered reported by the House Committee on Natural Resources on March 7, 2007

SUMMARY

H.R. 285 would establish the Steel Industry National Historic Site (NHS) in Pennsylvania as a unit of the National Park System. Assuming appropriation of the amounts authorized or estimated to be necessary, CBO estimates that developing and operating the new site would cost about \$40 million over the next five years. The National Park Service (NPS) could incur other costs to implement this legislation, but such costs would depend on presently unknown factors such as the condition of property that may be acquired by the federal government and the need for mitigating environmental or other safety hazards. Enacting H.R. 285 would not affect direct spending or revenues.

Under H.R. 285, the Steel Industry NHS would consist of three or more separate properties in southwestern Pennsylvania—the Battle of Homestead site (between 3 acres and 5 acres and related structures), the 35-acre Carrie Furnace complex (including blast furnaces, an ore yard, and related buildings), the hot metal bridge over the Monongahela River, and possibly up to 10 acres of nearby land that may be acquired by the NPS for visitor and administrative facilities. H.R. 285 would authorize the NPS to acquire all of these sites (as well as related personal property) by donation only. In addition to managing the NHS, the Park Service could provide technical and financial assistance to local parties for their preservation and management efforts. The agency also would prepare a general management plan for the site within three years of the bill's enactment. Finally, the bill would authorize the appropriation of \$30 million for development of the site.

H.R. 285 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. 285 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				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	2	7	27	2	2
Estimated Outlays	2	5	14	12	7

BASIS OF ESTIMATE

CBO estimates that one-time planning and development costs to establish the Steel Industry NHS would be \$31 million over the five years following the bill's enactment. Of this amount, about \$1 million would be used for the preparation of a general management plan, historic structures report, environmental assessments, and other requisite studies. The remaining \$30 million—specifically authorized by the bill for site development—would be spent on design and construction of administrative and visitor facilities and creation of an interpretive program over the 2009-2012 period. Implementing H.R. 285 could involve other one-time costs, such as mitigation of hazardous conditions and environmental contamination, but CBO has no basis for estimating any such costs, which we assume would not be included in the bill's authorization to appropriate \$30 million.

We estimate that administering the new NHS would increase NPS costs by \$1 million in 2008 and by \$2 million a year for 2009 through 2012. (After 2012, annual costs would be about \$3 million, CBO estimates.) Annual costs would include routine NPS operating expenses, services to secure and maintain special property such as the bridge and blast furnaces, and technical assistance to nonfederal participant organizations.

This estimate is based on information provided by the nonprofit Steel Industry Heritage Corporation, the NPS, and other federal, state, and local agencies. For this estimate, CBO assumes that any significant contamination or other safety hazards located on donated

property would be corrected before or soon after federal acquisition. If the NPS should acquire contaminated or unsafe property, the federal government could be liable for future third-party damages, but CBO has no basis for estimating the likelihood or amount of such costs.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 285 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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