



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 18, 2007

S. 2020
Tropical Forest and Coral Conservation Reauthorization Act of 2007

*As ordered reported by the Senate Committee on Foreign Relations
on September 11, 2007*

S. 2020 would authorize the appropriation of \$20 million in 2008 and \$75 million over the 2008-2010 period to restructure debt owed to the United States in exchange for agreements that the indebted countries would conserve tropical forests, coral reefs, and coastal marine ecosystems. CBO estimates that implementing the bill would cost \$2 million in 2008 and \$72 million over the 2008-2012 period, assuming that the authorized amounts are appropriated and that outlays will follow historical spending patterns for those programs.

Enacting the bill would not affect direct spending or revenues. S. 2020 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

S. 2020 would reauthorize the Tropical Forest Conservation Act of 1998 (TFCA) through 2010 and broaden its scope to include coral reefs and coastal marine ecosystems. Under current law, the act expires in 2007 and applies only to tropical forests. TFCA allows the United States to modify concessional debt held by eligible countries and redirect payments in local currency to support forest conservation programs. The debt modifications include authority to reduce and to restructure debt, to swap debt, or to sell debt back to an eligible country in ways that will generate income for conservation efforts. S. 2020 would authorize the appropriation of \$20 million in 2008, \$25 million in 2009, and \$30 million in 2010 to cover the cost of loan modifications, as defined by the Federal Credit Reform Act.

The estimated budgetary impact of S. 2020 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

The CBO staff contact for this estimate is Sunita D'Monte. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012

SPENDING SUBJECT TO APPROPRIATION

Spending Under Current Law for Debt

Restructuring

Budget Authority ^a	64	0	0	0	0	0
Estimated Outlays	146	117	64	29	0	0

Proposed Changes

Authorization Level	0	20	25	30	0	0
Estimated Outlays	0	2	12	22	25	11

Spending Under S. 2020 for Debt

Restructuring

Authorization Level ^a	64	20	25	30	0	0
Estimated Outlays	146	119	76	51	25	11

a. The 2007 level is the amount appropriated for that year.
