



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 10, 2010

S. 3452

Valles Caldera National Preserve Management Act

*As ordered reported by the Senate Committee on Energy and Natural Resources
on August 5, 2010*

S. 3452 would transfer administrative jurisdiction of the Valles Caldera Preserve in New Mexico from the Forest Service to the National Park Service (NPS). Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 3452 would increase discretionary spending by \$16 million over the 2011-2015 period and by \$16 million over the following five years. Enacting the legislation would not affect revenues and would have no net effect on direct spending; therefore, pay-as-you-go procedures do not apply.

S. 3452 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Under S. 3452, the Valles Caldera National Preserve would become a unit of the National Park System rather than the National Forest System. The preserve would then be managed by the NPS rather than the Valles Caldera Trust—a wholly owned, government-sponsored corporation. (The 89,000-acre preserve was established in 2000.) Assets and liabilities of the Valles Caldera Trust Fund would transfer to the NPS along with authority to spend amounts in the trust fund without appropriation. Under the bill, the NPS could continue to allow grazing on preserve lands as well as hunting, fishing, and other recreational activities.

As required by the bill, the agency would complete various required management plans and feasibility studies for the preserve over the next three years, including plans to develop the preserve, acquire 40 acres of private land in the area, and operate the preserve's science and education center. Finally, land within the preserve would be withdrawn from commercial purposes such as mining.

Based on information provided by the Forest Service and the NPS, CBO estimates that the discretionary costs of administering the preserve would increase by about \$1 million

annually (from the current level of just under \$4 million). The additional funding would be used initially for required management planning and studies and later to improve routine operations and maintenance. In addition, CBO estimates that \$22 million would be spent over the next 10 years to develop facilities for maintenance, administrative, and recreation purposes.

CBO expects that offsetting receipts and associated direct spending under the bill would be about that same as under current law. The NPS would collect receipts currently collected by the trust (primarily from recreation fees earning less than \$1 million annually) and would spend such amounts to benefit the preserve. The spending of balances in the Valles Caldera Trust Fund, if any, would also be unchanged. Finally, we estimate that withdrawing land within the preserve from commercial activities such as mining would not reduce offsetting receipts because that land is not expected to generate any such amounts.

The CBO staff contact for this estimate is Deborah Reis. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.