



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 10, 2011

H.R. 1421

A bill to amend the Water Resources Development Act of 1986 to clarify the role of the Cherokee Nation of Oklahoma with regard to the maintenance of the W.D. Mayo Lock and Dam in Oklahoma

*As ordered reported by the House Committee on Natural Resources
on July 20, 2011*

H.R. 1421 would give the Cherokee Nation exclusive authority to construct hydroelectric generating facilities at the W.D. Mayo Lock and Dam on the Arkansas River in Oklahoma. The bill would also grant the Cherokee Nation sole responsibility to operate and maintain the facilities as well as to market the hydroelectric power. Based on information from the Army Corps of Engineers, the Southwestern Power Administration (SWPA), and the Cherokee Nation, CBO estimates that enacting the bill would have no significant net impact on the federal budget. Enacting H.R. 1421 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The Water Resources Development Act of 1986 authorized the Cherokee Nation—a nonfederal entity—to develop hydroelectricity at the federal dam but required that the title of the completed facilities be transferred to the Corps to operate and maintain the facilities. Under that act, the Southwestern Power Administration was required to market any electric power generated at the facility. Hydroelectric power has not been developed at the dam and, according to interested parties, is unlikely to be developed under current law. H.R. 1421 would eliminate those requirements and allow the Cherokee Nation to retain the title to any hydroelectric improvements, operate and maintain the facilities, and market the power.

H.R. 1421 would require the Cherokee Nation to pay all costs associated with the design and construction of the facilities. The bill would authorize the Corps to provide assistance for those activities subject to reimbursement of all costs. The Cherokee Nation would also be responsible for reimbursing SWPA for the cost to transmit power from the dam. Because federal agencies would be reimbursed for all costs, CBO estimates that implementing the legislation would have no significant net impact on the federal budget.

H.R. 1421 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.

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