



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 6, 2014

H.R. 3188 **Rim Fire Emergency Salvage Act**

As ordered reported by the House Committee on Natural Resources on November 14, 2013

H.R. 3188 would direct the Secretaries of the Interior and Agriculture to conduct salvage sales of dead, damaged, or downed timber resulting from the 2013 Rim Fire in California. Sales of salvage timber under the bill would be exempted from certain laws related to the environment and forest management. In addition, sales conducted under the bill would not be subject to administrative or judicial review.

CBO estimates that implementing H.R. 3188 would have no significant net impact on the federal budget. Because enacting the bill would affect offsetting receipts, and thus direct spending, pay-as-you-go procedures would apply; however, CBO estimates that the net effect on direct spending would be negligible. Enacting H.R. 3188 would not affect revenues.

Under current law, we expect that the Forest Service will sell significant amounts of salvage timber from areas affected by the 2013 Rim Fire over the next several years. In addition, based on information provided by the Forest Service, CBO expects that other factors, including a lack of manufacturing capacity and hazardous weather conditions in the affected areas, would prevent the Forest Service from significantly increasing the amount of salvage timber sold if the bill was enacted. Finally, CBO expects that any increase in the amount of salvage timber sold in the affected areas would be partially offset by reductions in the sale of such timber in other national forests.

H.R. 3188 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 3188 would impose a private-sector mandate, as defined in UMRA, on plaintiffs by eliminating a right of action to seek judicial review of sales of salvageable timber on some federal lands affected by the Rim Fire. The cost of eliminating a right of action is the forgone income and value of awards in such cases. Because such losses would generally not occur for the types of cases involved, the mandate would probably impose no costs. Consequently, CBO estimates the cost of the mandate would fall well below the annual

threshold established in UMRA for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

On February 5, 2014, CBO transmitted a cost estimate for H.R. 2954, the Public Access and Lands Improvement Act, as posted on the website of the House Committee on Rules on January 30, 2014. Title IX of H.R. 2954 contains provisions similar to those contained in H.R. 3188, and the CBO cost estimates are the same.

The CBO staff contacts for this estimate are Jeff LaFave (for federal costs) and Amy Petz (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.