



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 15, 2015

H.R. 2358
Electricity Reliability and Forest Protection Act
As ordered reported by the House Committee on Natural Resources on June 11, 2015

SUMMARY

H.R. 2358 would allow electric utilities to submit to the Forest Service and the Bureau of Land Management (BLM) long-term plans that would guide vegetation management and maintenance activities on or adjacent to rights-of-way containing electrical infrastructure on federal lands. Under the bill, the affected agencies would be required to review and respond to each plan within 90 days. The bill also could exempt electric utilities that have notified those agencies of vegetation that could come into contact with a transmission line from legal liability in the event of a subsequent wildfire.

Based on information provided by the affected agencies and assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost \$12 million over the 2016-2020 period. Because enacting H.R. 2358 would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

H.R. 2358 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2358 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					2016-2020
	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	3	3	2	2	2	12
Estimated Outlays	3	3	2	2	2	12

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of calendar year 2015. Estimated outlays are based on historical spending patterns for similar activities.

H.R. 2358 would require the Forest Service and BLM to review and respond within 90 days to plans submitted by electric utilities for conducting vegetation management and maintenance activities that could affect federal rights of way. Based on information provided by the Forest Service, BLM, and various electric utilities, CBO estimates that the additional staffing required to meet the deadline would cost about \$2 million annually over the 2016-2020 period.

The bill also would require the affected agencies to draft new regulations and procedures related to the submission, review, and approval of vegetation management plans within two years. CBO estimates that the additional staffing required to carry out that provision would cost about \$1 million per year in 2016 and 2017.

Finally, the bill would exempt an electric utility from legal liability if the utility informs the agency administering a right-of-way that certain vegetation poses an imminent risk of fire, the agency does not allow the utility to conduct activities to eliminate that risk, and the vegetation is later determined to have caused a wildfire. Based on information provided by the affected agencies, CBO expects that it is unlikely that an agency would deny a request to clear vegetation that might subsequently result in a wildfire. Thus, we estimate that enacting this provision would have a negligible impact on the amount of funds the federal government would receive from damages resulting from a fire caused under those circumstances.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2358 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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