



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 31, 2016

H.R. 3881 **Cooperative Management of Mineral Rights Act of 2016**

*As ordered reported by the House Committee on Natural Resources
on June 15, 2016*

H.R. 3881 would repeal provisions in the Energy Policy Act of 1992 related to the development of privately-owned oil and gas resources located under federal land (known as split estates) in the Alleghany National Forest. Based on information provided by the Forest Service, CBO estimates that enacting the bill would affect direct spending by changing the timing of timber receipts; however, we estimate that any such effects would be negligible. Enacting H.R. 3881 would not affect revenues.

The bill would repeal a provision in current law that allows the Forest Service to sell any timber removed to make way for oil and gas development in the Alleghany National Forest directly to the firm developing the resources. Over the last five years, the agency sold timber valued at \$3 million using that direct sale authority. Based on information provided by the Forest Service, CBO expects that, under the bill, the sale of certain timber would be delayed because it takes longer to complete a sale under alternative authorities than to conduct a direct sale. However, we expect that any delays would not be significant and that the budgetary effects would be negligible.

The legislation also would repeal a provision in current law dating back to 1992 that required the Forest Service to issue regulations related to the development of oil and gas on split estates in the Alleghany National Forest. Because no regulations have been issued to date and CBO does not expect the agency to issue regulations in the next 10 years, CBO estimates that repealing that provision would not affect the federal budget.

CBO estimates that enacting H.R. 3881 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3881 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.