



November 21, 2016

Honorable Bill Shuster
Chairman
Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

*Re: CBO cost estimate for the H.R. 5303, the Water Resources
Development Act of 2016, as passed by the House of Representatives
on September 28, 2016.*

Dear Mr. Chairman,

As you requested, the Congressional Budget Office (CBO) has reviewed H.R. 5303, the Water Resources Development Act of 2016 as passed by the House of Representatives on September 28, 2016. CBO's estimate of the budgetary effects of enacting the legislation are included in the enclosed tables.

CBO estimates that:

- Assuming appropriations actions consistent with the legislation, and accounting for anticipated inflation, CBO estimates that implementing the provisions of the legislation would cost \$2.8 billion over the 2017-2021 period and \$6.3 billion over the 2017-2026 period (see Table 1). Most of the costs would stem from providing the Corps of Engineers (Corps) authority to construct 30 new projects and implement modifications to six projects to mitigate storm and hurricane damage, improve navigation, and restore estuaries.
- The legislation would increase offsetting receipts in 2017 by directing the Corps to accept a lump sum payment from the Trinity River Authority in Texas to prepay its remaining debt obligations to the federal government and by transferring certain property to the Department of the Interior to be held in trust for the benefit of the Muscogee Nation in Oklahoma in exchange for payment of the fair market value of the property. CBO estimates that implementing those provisions would reduce net direct spending by \$33 million over the 2017-2026 period (see Table 2).

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- The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.
- Enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

On September 22, 2016, CBO transmitted a cost estimate for H.R. 5303 as ordered reported by the House Committee on Transportation and Infrastructure on May 25, 2016. The two versions of the legislation are similar, however CBO estimates that implementing the House passed version of the legislation would cost about twice as much as the earlier version of H.R. 5303. Additional costs would result from authorizations to construct and modify additional projects, and authorization of appropriations of \$1.5 billion for the Great Lakes Restoration Initiative, and \$170 million for the Corps to provide assistance to communities declared a disaster area because of contaminated water supplies. In addition, the earlier version of H.R. 5303 would not affect direct spending; CBO estimates the House passed version would reduce direct spending by \$33 million in 2017.

I hope this information is useful to you. If you need additional details, we would be pleased to provide them. The CBO staff contact is Aurora Swanson.

Sincerely,

A handwritten signature in black ink that reads "Keith Hall" with a stylized flourish at the end.

Keith Hall
Director

Enclosures

cc: Honorable Peter A. DeFazio
Ranking Member

Honorable Pete Sessions
Chairman
Committee on Rules

Honorable Louise M. Slaughter
Ranking Member

TABLE 1. CBO ESTIMATE OF SPENDING SUBJECT TO APPROPRIATION FOR H.R. 5303, THE WATER RESOURCES DEVELOPMENT ACT OF 2016, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 28, 2016

	By Fiscal Year, in Millions of Dollars											2017-	2017-	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026		
INCREASES IN SPENDING SUBJECT TO APPROPRIATION														
Water Resources Infrastructure														
Estimated Authorization Level	76	106	266	308	547	621	718	718	732	782	1,303	4,875		
Estimated Outlays	30	65	149	226	362	485	586	651	678	712	833	3,946		
Policy Provisions and Studies														
Estimated Authorization Level	69	49	102	103	50	43	44	37	38	39	372	572		
Estimated Outlays	38	52	68	86	73	58	48	39	37	37	317	534		
Estuary Restoration														
Estimated Authorization Level	35	36	37	38	38	0	0	0	0	0	184	184		
Estimated Outlays	14	25	31	35	36	21	10	4	0	0	140	175		
Great Lakes Restoration Initiative														
Estimated Authorization Level	300	300	300	300	300	0	0	0	0	0	1,500	1,500		
Estimated Outlays	195	255	300	300	300	150	0	0	0	0	1,350	1,500		
Environmental Infrastructure														
Estimated Authorization Level	170	0	0	0	0	0	0	0	0	0	170	170		
Estimated Outlays	20	90	50	10	0	0	0	0	0	0	170	170		
Total Costs														
Estimated Authorization Level	649	491	704	749	935	663	762	755	770	821	3,529	7,301		
Estimated Outlays	297	487	598	657	770	714	644	693	715	750	2,810	6,325		

Notes: Amounts may not sum to totals because of rounding.

TABLE 2. CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS OF H.R. 5303, THE WATER RESOURCES DEVELOPMENT ACT OF 2016, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 28, 2016

	By Fiscal Year, in Millions of Dollars											2017-	2017-	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026		
NET DECREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	-33	0	0	0	0	0	0	0	0	0	-33	-33		