



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

May 20, 2009

**S. 345**

**Tropical Forest and Coral Conservation Reauthorization Act of 2009**

*As ordered reported by the Senate Committee on Foreign Relations  
on May 5, 2009*

S. 345 would authorize the appropriation of \$25 million in 2009 and \$90 million over the 2010-2012 period to restructure debt owed to the United States in exchange for agreements that the indebted countries would conserve tropical forests, coral reefs, and coastal marine ecosystems. CBO estimates that implementing the bill would cost \$87 million over the 2010-2014 period, assuming that no further appropriations will be provided for such purposes for fiscal year 2009, that the amounts specified for 2010 through 2012 will be appropriated, and that outlays will follow historical spending patterns for those programs.

Enacting the bill would not affect direct spending or revenues. S. 345 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

S. 345 would reauthorize the Tropical Forest Conservation Act of 1998 (TFCA) through 2012 and broaden its scope to include coral reefs and coastal marine ecosystems. The act, which expired in 2007, previously applied only to tropical forests. The Congress extended TFCA programs by providing \$20 million in both 2008 and 2009. TFCA allows the United States to modify concessional debt held by eligible countries and redirect payments in local currency to support forest conservation programs. The debt modifications include authority to reduce and to restructure debt, to swap debt, or to sell debt back to an eligible country in ways that will generate income for conservation efforts. S. 345 would authorize the appropriation of \$25 million in 2009 and \$30 million annually over the 2010-2012 period to cover the cost of loan modifications, as defined by the Federal Credit Reform Act.

The estimated budgetary impact of S. 345 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

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	By Fiscal Year, in Millions of Dollars					2010- 2014
	2010	2011	2012	2013	2014	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup></b>						
Authorization Level	30	30	30	0	0	90
Estimated Outlays	3	18	27	27	12	87

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a. S. 345 also would authorize the appropriation of \$25 million for fiscal year 2009, but CBO assumes there would be no additional funding for tropical forest and coral conservation for this year.

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