



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 29, 2008

S. 189

A bill to decrease the matching funds requirement and authorize additional appropriations for the Keweenaw National Historical Park in the state of Michigan

As ordered reported by the Senate Committee on Energy and Natural Resources on January 30, 2008

S. 189 would authorize additional appropriations for the Keweenaw National Historical Park in Michigan. The bill also would repeal an existing prohibition against acquiring environmentally contaminated lands for the park. Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 189 would cost \$24 million over the 2009-2013 period. An additional \$26 million would be spent after 2013 for park development, including possible environmental cleanup and restoration of contaminated lands if any are acquired as a result of this legislation. Enacting S. 189 would not affect revenues or direct spending.

S. 189 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

The legislation would raise the authorization levels for activities carried out at Keweenaw National Historical Park, including:

- Increasing the cap on assistance to nonfederal property owners from \$3 million (all of which has already been appropriated) to \$25 million,
- Raising the annual authorization of appropriations for the Keweenaw National Historical Park Advisory Commission from \$100,000 to \$250,000, and
- Raising the ceiling for park development from \$25 million to \$50 million.

CBO estimates that raising the park's authorizations would cost \$24 million over the 2009-2013 period and \$26 million over the 2013-2018 period.

Nearly all spending over the first five years would be for assistance to nonfederal entities that would use the funds to restore and interpret historic properties within the park's boundaries. A small portion of the five-year costs (less than \$500,000 a year) would be for routine annual expenses to operate and maintain newly developed properties and to provide the advisory commission with the additional funds of \$150,000 a year authorized by the bill. That annual cost would continue in subsequent years.

We estimate that little of the additional \$25 million authorized for development would be appropriated before 2014 because we expect that development activities at the park would not exhaust the existing \$25 million authorization until that time. (Most of the existing ceiling has not yet been appropriated.) Spending of the \$25 million existing authorization could occur somewhat more quickly over the next year or two under the bill because the National Park Service (NPS) might use some of that amount to clean up or restore contaminated lands, which could be acquired under the bill. We expect that the NPS would minimize such costs, however, by avoiding the purchase of severely contaminated sites and by requiring cleanup of most sites before acquisition, resulting in no significant change in development costs over time.

In addition, the federal government could be liable for injuries caused by contamination on lands acquired as a result of this bill, but CBO has no basis for estimating such costs, if any.

The CBO staff contact for this estimate is Deborah Reis. The estimate was reviewed by Theresa Gullo, Deputy Assistant Director for Budget Analysis.