



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

October 19, 1998

**H.R. 2886
Granite Watershed Enhancement and Protection Act of 1998**

As cleared by the Congress on October 10, 1998

CBO estimates that enacting H.R. 2886 would increase direct spending in fiscal year 1999 by about \$200,000. The act would authorize the Secretary of Agriculture to enter into a five-year contract with a single private contractor to perform multiple management activities on federal land in the Stanislaus National Forest in California and to fund that contract using receipts from forest products removed by the contractor, as well as funds provided by the state of California and appropriated funds.

The U.S. Forest Service is planning to conduct the Granite Watershed Pilot Project on an area known as the Granite Burn over the next five years. Work to be performed under the contract will include timber stand thinning, brush removal, road closures and maintenance, and other land management work. According to the Forest Service, outlays to implement the project will total about \$5 million over the 1999-2003 period. The agency plans to conduct the project, including the timber stand thinning, under current law using appropriated funds. Enacting H.R. 2886 would allow the agency to pay for a portion of the project using offsetting receipts generated from thinning the project's timber stand. The Forest Service expects the thinning to generate offsetting receipts of approximately \$200,000 in fiscal year 1999. As a result, CBO estimates that enacting H.R. 2886 would increase outlays from direct spending by \$200,000 in fiscal year 1999.

The CBO staff contact for this estimate is Victoria V. Heid. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.