CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 21, 2013

S. 340
Southeast Alaska Native Land Entitlement Finalization and Jobs Protection Act

As ordered reported by the Senate Committee on Energy and Natural Resources on June 18, 2013

S. 340 would authorize the Southeast Alaska Native Corporation (Sealaska) to select the remainder of its land entitlement from federal lands outside the area originally delineated for that purpose by the Alaska Native Claims Settlement Act. Based on information from the Forest Service, CBO estimates that enacting S. 340 would result in a net loss of $3 million in timber receipts over the 2014-2023 period (such losses would increase direct spending). Because enacting the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting S. 340 would not affect revenues.

Under the bill, Sealaska would be permitted to choose its remaining land entitlement from about 70,000 acres of old- and second-growth forest land. Though the legislation would not grant additional lands to Sealaska, it would allow Sealaska to select from federal lands that are not available under current law and that are expected to generate timber receipts for the Treasury. In contrast, the lands available under current law are not expected to generate receipts to the Treasury. The bill also would open up some previously unavailable young-growth stands of timber for the Forest Service to harvest. Proceeds from the sale of timber on federal land are deposited in the Treasury as offsetting receipts (a credit against direct spending).

CBO estimates that enacting S. 340 would result in about 10,000 fewer federal acres being harvested for timber by the federal government over the 2014-2023 period, considering both the lands that would be acquired by Sealaska and the lands newly available to the Forest Service. We estimate that this reduction in timber harvests would reduce offsetting receipts by about $13 million over the 2014-2023 period. Because the Forest Service has the authority to spend a portion of those receipts without further appropriation, CBO estimates that enacting the bill would reduce net offsetting receipts to the Treasury by $3 million over the 2014-2023 period and additional amounts after 2023.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. S. 340 would increase direct spending; therefore, pay-as-you-go procedures apply. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 340 as ordered reported by the House Committee on Natural Resources on June 18, 2013

	By Fiscal Year, in Millions of Dollars												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2018	2013-2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	1	1	1	0	3

S. 340 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit Sealaska.

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