



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 22, 2017

H.R. 1873
Electricity Reliability and Forest Protection Act

As ordered reported by the House Committee on Natural Resources on April 27, 2017

SUMMARY

H.R. 1873 would allow electric utilities to submit to the Forest Service and the Bureau of Land Management (BLM) long-term plans that would guide vegetation management and maintenance activities on or adjacent to rights-of-way containing electrical infrastructure on federal lands. Under the bill, the affected agencies would be required to review and respond to each plan within 90 days. Under the bill electric utilities that have notified those agencies of vegetation that could come into contact with a transmission line would be exempt from legal liability in the event of a subsequent wildfire.

Based on information provided by the affected agencies and assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost \$12 million over the 2018-2022 period. H.R. 1873 would affect direct spending by reducing the amount of damages the federal government would collect from private firms in the event of certain fires; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be negligible. Enacting the bill would not affect revenues.

CBO also estimates that enacting H.R. 1873 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1873 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.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 1873 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars						2017- 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	3	3	2	2	2	12
Estimated Outlays	0	3	3	2	2	2	12

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of 2017. Estimated outlays are based on historical spending patterns for similar activities.

H.R. 1873 would require the Forest Service and BLM to review and respond within 90 days to plans submitted by electric utilities to manage and maintain vegetation that could affect federal rights-of-way. Based on information provided by the Forest Service, BLM, and various electric utilities, CBO estimates that the additional staffing required to meet that 90-day deadline would cost about \$2 million annually over the 2018-2022 period; spending would be subject to the availability of appropriated funds.

The bill also would require the affected agencies to draft new regulations and procedures related to the submission, review, and approval of vegetation management plans within two years. CBO estimates that the additional staffing required to carry out that provision would cost about \$1 million per year in 2018 and 2019; spending would be subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues.

H.R. 1873 would affect direct spending by reducing the amount of damages the federal government would collect from private firms in the event of certain fires. Under the bill, an electric utility would be exempt from legal liability if the utility informs the administering agency that vegetation in a right-of-way poses an imminent risk of fire, the agency does not allow the utility to conduct activities to eliminate that risk, and the vegetation is later determined to have caused a wildfire. Based on information provided by the affected agencies, CBO expects that an agency denying such a request would be unlikely. Thus, we estimate that enacting this provision would have a negligible effect on

the amount the federal government would receive from damages resulting from a fire caused under those circumstances. Enacting the bill would not affect revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 1873 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1873 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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