



July 10, 2018

Honorable John Barrasso
Chairman
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

CBO has prepared an estimate of the direct spending and revenue effects of H.R. 8, the America's Water Infrastructure Act of 2018, as posted on the website of the Committee on Environment and Public Works on July 9, 2018, with an amendment in the nature of a substitute. CBO estimates that enacting H.R. 8 would decrease direct spending by \$1 million over the 2019-2028 period.

The legislation would authorize the U.S. Army Corps of Engineers (Corps) to construct projects to improve navigation and flood management, to mitigate storm and hurricane damage, and to restore aquatic ecosystems. The bill also would authorize the Environmental Protection Agency to provide grants and loans to state and local governments, public water systems, and other entities to support a wide range of water infrastructure projects and programs to improve water quality.

The legislation would increase offsetting receipts (which are treated as reductions in direct spending) in 2020 by authorizing the Corps to convey nine acres of federal land to the city of Nashville, Tennessee, in exchange for the fair market value of the property. Using information from the Corps, CBO estimates sale proceeds would total about \$1 million. Because the legislation would affect direct spending pay-as-you-go procedures apply. Enacting the legislation would not affect revenues.

Enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

The legislation would affect spending subject to appropriation, but CBO has not completed an estimate of those costs.

Honorable John Barrasso
Page 2

On June 4, 2018, CBO transmitted a cost estimate for H.R. 8, the Water Resources Development Act of 2018, as reported by the House Committee on Transportation and Infrastructure on June 1, 2018. The two versions of H.R. 8 contain different provisions affecting direct spending and revenues and CBO's cost estimates reflect those differences.

I hope this information is useful to you. If you need further details on these estimates, we would be pleased to provide them.

Sincerely,

A handwritten signature in black ink that reads "Keith Hall" with a stylized flourish at the end.

Keith Hall
Director

Enclosures

cc: Honorable Tom Carper
Ranking Member