



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 27, 2018

S. 245
Indian Tribal Energy Development and Self-Determination Act
Amendments of 2017

*As ordered reported by the House Committee on Natural Resources
on November 15, 2018*

S. 245 would make various amendments to existing federal energy programs on tribal lands. Under current law, a tribe may enter into a tribal energy resource agreement (TERA) with the federal government to allow the tribe to complete and manage business agreements with third parties for such purposes as rights-of-way for energy projects and oil and gas leases. Under a TERA a tribe manages activities that would otherwise be carried out by the Department of the Interior (DOI). S. 245 would allow that under most circumstances a TERA application would automatically be approved 270 days after submission to DOI. Under the act, DOI also would be required to pay a tribe operating under a TERA agreement for carrying out management activities. CBO estimates that implementing that provision would have no net effect on the federal budget because any amounts paid to tribes would have been spent by DOI to conduct the same work.

Under the act, the Department of Energy would collaborate with the national laboratories to provide technical assistance to tribal governments. The act would establish a pilot program for tribes to use nonmarketable timber from neighboring federal lands for energy development. Using information from the department, CBO estimates that implementing those provisions would cost \$1 million; such spending would be subject to the availability of appropriations.

Enacting S. 245 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 245 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 245 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. Tribes would benefit from greater flexibility and assistance authorized by the bill for energy development. Any costs to tribes would be incurred voluntarily as a condition of assistance or of participating in a voluntary federal program.

On May 3, 2017, CBO transmitted a cost estimate for S. 245, the Indian Tribal Energy Development and Self-Determination Act Amendments of 2017, as ordered reported by the Senate Committee on Indian Affairs on February 8, 2017. The two versions of S. 245 are similar and CBO's estimates of their budgetary effects are the same.

The CBO staff contacts for this estimate are Robert Reese (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.