

## S. 216, Spokane Tribe of Indians of the Spokane Reservation Equitable Compensation Act

As ordered reported by the Senate Committee on Indian Affairs on January 29, 2019

| Millions of Dollars | Net Direct Spending | Revenues | Net Deficit Effect | Spending Subject to Appropriation |
|---------------------|---------------------|----------|--------------------|-----------------------------------|
| 2019                | 0                   | 0        | 0                  | 0                                 |
| 2019-2024           | *                   | 0        | *                  | 0                                 |
| 2019-2029           | *                   | 0        | *                  | 0                                 |

  

|  |               |                                     |                      |
|--|---------------|-------------------------------------|----------------------|
| Pay-as-you-go procedures apply?  | Yes           | <b>Mandate Effects</b>              |                      |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030? | < \$5 billion | Contains intergovernmental mandate? | Yes, Under Threshold |
|  |               | Contains private-sector mandate?    | No                   |
| * = between -\$500,000 and \$500,000.  |               |                                     |                      |

S. 216 would compensate the Spokane Tribe of Indians for the use of tribal lands in the construction of the Grand Coulee Dam in Washington State. Beginning in 2022, the bill would require the federal Bonneville Power Administration (BPA) to make annual payments to the tribe out of receipts from the sale of electricity. Starting in 2030, BPA could offset a portion of those payments by paying less interest to the Treasury.

Payments to the tribe would total about \$6 million annually through 2029, CBO estimates. However, the net effect on direct spending would not be significant because CBO anticipates that BPA would raise its electricity rates to cover those costs. Thus, payments to the tribe would generally be offset by an equivalent increase in receipts from BPA's electricity customers, which are recorded in the budget as reductions in direct spending.

Starting in 2030, S. 216 would increase payments to the tribe to about \$8 million annually and would reduce the amount that BPA makes in interest payments to the Treasury each year by \$2.7 million. CBO anticipates that BPA would reduce rates to mirror that lower interest payment. Thus, CBO estimates that the expected reduction in receipts under the bill would indefinitely increase annual direct spending by \$2.7 million starting in 2030.

S. 216 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by extinguishing the monetary claims of the Spokane Tribe of Indians against the United States for hydropower revenues and for past and continued use of their land. Eliminating an existing right of action is a mandate because the right to seek redress and recover damages beyond what is provided in the bill would be lost. Using information from the tribe, CBO expects that the tribe would, probably not absent the provision extinguishing those claims, pursue such claims if the bill were enacted. Therefore, CBO estimates that the cost, if any, of the mandate would not exceed the annual threshold established in UMRA (\$82 million in 2019, adjusted annually for inflation). Overall, the tribe would benefit from the payments authorized for the tribe from the Bonneville Power Administration.

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