

At a Glance

S. 440, Oregon Recreation Enhancement Act

As ordered reported by the Senate Committee on Energy and Natural Resources on May 17, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	1	3
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	1	3
Spending Subject to Appropriation (Outlays)	0	1	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034? **< \$2.5 billion**

Statutory pay-as-you-go procedures apply?

Yes

Mandate Effects

Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034? **< \$5 billion**

Contains intergovernmental mandate?

No

Contains private-sector mandate?

No

The bill would

- Designate 188,000 acres of federal land in Oregon for recreational use or as wilderness and withdraw some of that land from the commercial timber base
- Withdraw approximately 100,000 acres of federal land in Oregon from mineral and geothermal leasing

Estimated budgetary effects would mainly stem from

- Forgone income from federal timber sales

Areas of significant uncertainty include

- Estimating the amount of income forgone

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

S. 440 would designate roughly 98,000 acres of federal land in Oregon as the Rogue Canyon Recreation Area and roughly 30,000 acres as the Molalla Recreation Area. The bill also would add about 60,000 acres of federal land in Oregon to the Wild Rogue Wilderness and permanently withdraw it from commercial timber sales. Finally, the bill would permanently withdraw about 100,000 acres of federal land in Curry County and Josephine County, Oregon, from mineral and geothermal leasing. All withdrawals would be subject to valid existing rights.

Estimated Federal Cost

CBO estimates that enacting the bill would increase direct spending by less than \$500,000 each year, totaling \$3 million over the 2023-2033 period. Increases in spending subject to appropriation also would be below \$500,000 annually and would total \$1 million over the 2023-2028 period. The costs of the legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted late in fiscal year 2023.

Background

Under current law, the Bureau of Land Management (BLM) oversees the federal land covered by the bill that is slated for timber production. Income from timber sales is classified in the budget as offsetting receipts (or reductions in direct spending), and counties in which the timber is harvested generally receive 50 percent of the sales' proceeds.

Direct Spending

CBO estimates that enacting S. 440 would decrease receipts, and thus increase direct spending, by about \$3 million over the 2023-2033 period.

Timber Sales. Using information from BLM and accounting for typical timeframes for timber sales, CBO expects that under current law, sales from the parcels named in the bill are likely to commence over the 2024-2027 period.

CBO expects that BLM will offer 1.7 million board feet of timber annually from the area the bill proposes to include in the Molalla Recreation Area. Using data from BLM, CBO expects that nearly all of the timber will be sold for 35 cents to 47 cents per board foot, totaling about \$6 million in gross receipts over the 2023-2033 period.

CBO anticipates that BLM will offer 2.6 million board feet annually from the proposed Rogue Canyon Recreation Area and 900,000 board feet annually from the proposed addition to the Wild Rogue Wilderness. Using data from BLM, CBO expects that 80 percent of the timber will be sold for 15 cents to 25 cents per board foot. Over the 2023-2033 period,



CBO estimates that gross receipts from the proposed Rogue Canyon Recreation Area would total \$3 million and that receipts from the proposed Wild Rogue Wilderness addition would total \$1 million.

After accounting for the 50 percent of the proceeds to be paid to county governments, CBO projects that net federal receipts from the sales in the three areas will total \$5 million over the 2023-2033 period.

According to BLM, designating land for recreational use could reduce its potential for timber production; however, CBO has no basis on which to estimate that effect. In the absence of specific information, CBO used a 50 percent probability that timber sales would occur in the areas proposed for recreational use under the bill. On that basis, CBO estimates that the federal government would forgo more than \$2 million in net receipts over the next 10 years from timber production in Molalla and Rogue Canyon.

The land designated as wilderness under S. 440 would be permanently withdrawn from the commercial timber base. CBO thus estimates that the federal government would forgo net receipts of about \$1 million over the 2023-2033 period from the addition to the Wild Rogue Wilderness.

Mineral Development and Geothermal Leasing. S. 440 also would permanently withdraw, subject to valid existing rights, roughly 100,000 acres of Forest Service and BLM land in Curry County and Josephine County, Oregon, from mineral development under hardrock mining laws and from mineral and geothermal leasing. BLM temporarily withdrew that land in December 2016 as a result of [Public Land Order 7859](#), “Withdrawal of National Forest System and Bureau of Land Management Public Lands in Southwestern Oregon; Oregon.” That order is effective for 20 years while the Congress considers legislation for a permanent withdrawal. As a result, CBO estimates that implementing that provision of the bill would have no budgetary effect over the 2023-2033 period, because the bill would codify the temporary order, subject to valid existing rights.

Spending Subject to Appropriation

The bill would direct BLM to prepare a wildfire mitigation plan for the proposed recreation areas. Using information about the cost of similar activities, CBO estimates that meeting that requirement would cost \$1 million over the 2024-2028 period; that spending would be subject to the availability of appropriated funds.

Uncertainty

The amount that the government will collect from timber sales on the affected land is uncertain; thus, the amount of income forgone under S. 440 could be more or less than CBO estimates. Specifically, CBO cannot predict the volume or the value of timber production, when BLM will hold sales, or how the recreation designations under the bill would affect BLM’s management of those areas for timber production.



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. CBO estimates that under S. 440, the net changes in outlays that are subject to those pay-as-you-go procedures would be less than \$500,000 in every year and would total \$3 million over the 2023-2033 period.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting S. 440 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 440 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2034.

Mandates: None.

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