



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 15, 2012

H.R. 3685

A bill to amend the Herger-Feinstein Quincy Library Group Forest Recovery Act to extend and expand the scope of the pilot forest management project required by that act

As ordered reported by the House Committee on Natural Resources on June 7, 2012

SUMMARY

H.R. 3685 would reauthorize the Herger-Feinstein Quincy Library Group Forest Recovery Act through 2022. That act established a pilot project to manage lands within the Plumas, Lassen, and Tahoe National Forests in accordance with a forest management program developed by the Quincy Library Group. The bill would authorize the Secretary of Agriculture to expand that pilot program to several other national forests.

Based on information provided by the Forest Service, CBO estimates that implementing the legislation would cost \$60 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Implementing H.R. 3685 could affect offsetting receipts (a credit against direct spending); however, any increase in receipts, which CBO estimates could total a few million dollars annually, would be contingent on future appropriations and not directly attributable to this bill. Enacting the bill would not—by itself—affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3685 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3685 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					2013-2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION¹						
Estimated Authorization Level	14	14	14	14	14	70
Estimated Outlays	7	11	14	14	14	60

1. Implementing H.R. 3685 could affect offsetting receipts (a credit against direct spending); however, any increase in receipts, which CBO estimates could total a few million dollars annually, would be contingent on future appropriations and not directly attributable to this bill.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3685 will be enacted by the end of 2012 and that the necessary amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for similar Forest Service activities.

H.R. 3685 would reauthorize the pilot project established under the Herger-Feinstein Quincy Library Group Forest Recovery Act. That pilot project requires the Forest Service to implement specified forest management activities, including thinning the forests through individual tree selection (removing selected trees from dense forests) and conducting group selection (clearing areas within forests ranging from 0.5 to 2 acres) within the Plumas, Lassen, and Tahoe National Forests. Under the pilot project, the agency is required to meet specified acreage targets in carrying out those activities. Over the past five years, the Forest Service has spent about \$25 million a year to carry out those activities at the specified levels.

The bill would require the Secretary of Agriculture to continue the pilot project in the areas designated under the original Herger-Feinstein legislation. Based on information provided by the Forest Service, CBO estimates that the costs of managing lands within the project area has exceeded the cost of managing lands outside that area by about \$9 per acre. Thus, CBO estimates that continuing the project within the existing 1.5-million-acre project area would cost \$60 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

The bill also would authorize but not require the Secretary to expand the pilot project area to include an additional 12.5 million acres of national forest land in California and Nevada. Under current law, the Forest Service has discretion to use the forest management methods required under the pilot project on lands outside of the designated project area. Because the acreage targets required under the pilot project would reduce

the agency's flexibility in managing the national forests, CBO expects that the Secretary would not expand the designated project area; however, CBO estimates that, if the Secretary elected to expand the project area, the costs of carrying out the activities required under the bill would total up to \$126 million a year over the 2013-2017 period, depending on the number of acres added to the project area and assuming appropriation of the necessary amounts.

CBO expects that carrying out the activities required under the pilot project could increase the volume of timber produced within the project area relative to that expected under current law. As a result, implementing H.R. 3685 could increase offsetting receipts (a credit against direct spending) if sufficient funds are appropriated to manage the pilot project. Because most of the proceeds from additional timber sales would be used to make mandatory payments to states and for other purposes, CBO estimates that any net increase in receipts would be no more than a few million dollars a year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3685 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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