



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 11, 2006

**H.R. 3817
Valle Vidal Protection Act of 2005**

As ordered reported by the House Committee on Resources on June 21, 2006

H.R. 3817 would withdraw some federal land in the Carson National Forest in New Mexico from certain programs to develop natural resources. According to the Forest Service, the agency is currently evaluating whether to implement such programs, particularly to develop oil and gas resources, in areas covered by the proposed withdrawal. To the extent that the affected land is expected to generate income from such activities, H.R. 3817 would reduce offsetting receipts (a credit against direct spending). Because a portion of oil and natural gas receipts is paid to states, any forgone receipts under H.R. 3817 would be partially offset by a corresponding decrease in direct spending for those payments.

CBO cannot predict whether the agency will decide, under current law, to allow oil and gas leasing to occur on the affected land. Based on information from the Forest Service about the length of time involved in making such a decision, we expect that, if the agency decides to implement an oil and gas leasing program, most of the proceeds from such leases would be collected after 2016. Therefore, we estimate that any net change in direct spending under H.R. 3817 would be insignificant in any of the next 10 years. CBO has no basis, however, for estimating the magnitude of the bill's potential budgetary effects in later years. Enacting H.R. 3817 would not affect revenues.

H.R. 3817 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments over the next 10 years. To the extent that this bill would result in reduced federal mineral receipts after that period, it also would lower payments to states.

The CBO staff contact for this estimate is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.