



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2007

H.R. 902

More Water, More Energy, and Less Waste Act of 2007

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 23, 2007*

SUMMARY

H.R. 902 would authorize the Secretary of the Interior, acting through the Bureau of Reclamation (BOR) and the U.S. Geological Survey (USGS), to study the feasibility of using water produced during oil and gas exploration for irrigation. The act would authorize the Secretary to provide grants for projects that demonstrate such use. For these purposes, the act would authorize the appropriation of \$8.5 million.

Assuming appropriations of the authorized amounts, CBO estimates that the agencies would spend \$1 million to conduct a feasibility study in 2008 and 2009, \$3 million for demonstration project grants over the 2010-2012 period, and about \$5 million after 2012. Enacting H.R. 902 would not affect revenues or direct spending.

The legislation contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COSTS TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 902 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

2008 2009 2010 2011 2012

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	1	0	8	0	0
Estimated Outlays	*	1	1	1	1

Note: * = less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 902 will be enacted before the end of 2007 and that the authorized amounts will be appropriated for each year.

The act would require the USGS to study the feasibility of using water produced during oil and natural gas exploration for irrigation purposes. Based on information from USGS, CBO estimates that conducting the study would cost \$1 million over the next two years.

H.R. 902 also would authorize BOR to provide grants for demonstration projects. CBO expects that the disbursement of grants would commence in 2010 following the completion of the feasibility study. Based on information from BOR, CBO estimates that grants to the states would cost \$3 million over the 2010-2012 period and an additional \$5 million after 2012.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 902 contains no intergovernmental or private-sector mandates as defined by UMRA and would impose no costs on the budgets of state, local, or tribal governments.

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