



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Revised November 30, 2007

S. 1580

Coral Reef Conservation Amendments Act of 2007

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on October 30, 2007*

SUMMARY

S. 1580 would authorize the appropriation of \$241 million over the 2008-2012 period to the National Oceanic and Atmospheric Administration (NOAA). Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$218 million over the 2008-2012 period. (The remaining \$23 million authorized would be spent after 2012.) Enacting S. 1580 could increase revenues and associated direct spending, but we estimate that such changes—about \$2 million over the 2008-2017 period—would have no significant net impact in each year.

The bill contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the annual costs of those mandates would not exceed the thresholds established in UMRA (\$66 million in 2007 for intergovernmental mandates and \$131 million in 2007 for private-sector mandates; the thresholds are adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1580 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					
NOAA Coral Reef Conservation Program					
Authorization Level	34	36	38	40	40
Estimated Outlays	22	31	35	39	40
International Coral Reef Conservation					
Authorization Level	5	10	10	10	10
Estimated Outlays	4	9	10	10	10
Community Planning Grants					
Estimated Authorization Level	1	2	2	2	1
Estimated Outlays	1	2	2	2	1
Total Changes					
Estimated Authorization Level	40	48	50	52	51
Estimated Outlays	27	42	47	51	51

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1580 will be enacted near the start of calendar year 2008 and that the authorized amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for conservation programs carried out by NOAA.

Spending Subject to Appropriation

S. 1580 would authorize appropriations totaling \$241 million over the 2008-2012 period for federal activities and grants to protect coral reefs. The authorizations include between \$34 million and \$40 million annually for NOAA's current domestic program and between \$5 million and \$10 million annually for new international programs. By comparison, NOAA received an appropriation of \$26 million in 2007 for the coral reef conservation program. The agency has not yet received full-year appropriations for 2008.

The bill also would authorize the appropriation of \$8 million over the 2008-2012 period for NOAA's community planning grants to states. CBO assumes that the \$8 million would be appropriated and spent roughly evenly over the five-year period.

Revenues and Direct Spending

Enacting S. 1580 would increase both revenues and direct spending. CBO estimates that those changes would largely offset each other over the 2008-2017 period.

S. 1580 would prohibit certain actions that damage or destroy coral reefs. The bill would extend legal protection to reefs in all U.S. waters (rather than only those in national marine sanctuaries or national parks as under existing law), establish enforcement mechanisms such as penalties and asset forfeitures, and make violators liable for damages and the costs of federal responses to accidents that harm coral. Based on information provided by NOAA on recent accidents that damaged coral reefs in national marine sanctuaries, CBO estimates that collecting penalties, damages, and cost reimbursements from those who damage reefs in other U.S. waters would increase revenues by about \$1 million over the 2008-2012 period and by \$2 million over the 2008-2017 period.

Amounts collected under S. 1580 from civil penalties and other monetary collections would be available without further appropriation to NOAA for activities such as repairing and restoring damaged reefs. Criminal penalties would be deposited in and spent from the Crime Victims Fund.

S. 1580 also would authorize NOAA to impose fees for permits to collect coral. CBO estimates that new offsetting receipts from permit fees would be negligible. Spending of those receipts would be subject to appropriation.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1580 contains intergovernmental and private-sector mandates as defined in UMRA, but CBO estimates that the annual costs of those mandates would not exceed the thresholds established in UMRA.

The bill would impose a private-sector mandate by making it unlawful, with some exceptions, for any person to damage any coral reef that is subject to the jurisdiction of the United States. In addition, persons that damage coral reefs would be liable for the restoration and response costs. Currently, only those coral reefs protected under separate legal authorities, such as corals located within national marine sanctuaries, receive such protection. Based on information from NOAA, CBO estimates that the direct cost of the mandate would not be significant.

The bill also would authorize the Secretary of Commerce to issue permits allowing for activities that would affect coral reefs. If the Secretary established a permit program,

researchers, such as those at public universities, and other persons, would be required to obtain a permit. That requirement would be a private-sector and intergovernmental mandate. Based on information from NOAA, CBO estimates that the cost of that mandate would be small.

Overall, S. 1580 would create several new grant programs that would benefit state and local governments. Any costs to those governments would result from complying with conditions of federal aid.

PREVIOUS CBO ESTIMATE

On August 3, 2007, CBO transmitted a cost estimate for H.R. 1205, the Coral Reef Conservation Amendments Act of 2007, as ordered reported by the House Committee on Natural Resources on June 28, 2007. H.R. 1205 and S. 1580 are very similar, but the Senate legislation would authorize higher appropriations than H.R. 1205. Also, S. 1580 contains enforcement provisions that could result in additional revenues (from civil penalties, asset forfeitures, or damages) and spending of such amounts. Those differences are reflected in the CBO cost estimates.

On November 29, 2007, CBO transmitted a cost estimate for S. 1580, the Coral Reef Conservation Amendments Act of 2007, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on October 30, 2007. That estimate incorrectly stated that the bill would authorize funding of between \$5 million and \$10 million for the Department of the Interior, rather than NOAA.

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