



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 4, 2009

H.R. 3759 **BLM Contract Extension Act**

*As ordered reported by the House Committee on Natural Resources
on November 18, 2009*

CBO estimates that enacting H.R. 3759 would not significantly affect the federal budget. Enacting the bill would have a negligible impact on direct spending and would not affect revenues. H.R. 3759 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 3759 would permit the Secretary of the Interior to extend, by up to three years, the expiration date of certain timber contracts. Under such contracts, timber purchasers harvest federally owned timber, generating offsetting receipts (a credit against direct spending) to the federal government. Based on information from the Bureau of Land Management, CBO estimates that extending those contracts would not significantly affect total receipts from timber harvests over the next 10 years. The amount of timber harvested from federal lands is largely driven by market conditions. Enacting H.R. 3759 could result in additional receipts from timber contracts that are extended under the bill, but we expect that those increases largely would be offset by forgone receipts from harvesting activity that would otherwise occur under other contracts.

The CBO staff contacts for this estimate are Deborah Reis and Megan Carroll. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.