



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 13, 2010

S. 2941 **Republic of the Marshall Islands** **Supplemental Nuclear Compensation Act of 2010**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on June 21, 2010*

SUMMARY

S. 2941 would amend the Compact of Free Association Amendments Act of 2003 and the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA). The legislation would appropriate about \$5 million annually over the 2010-2023 period to supplement the health care resources in certain communities affected by the U.S. nuclear weapons testing program. In addition, S. 2941 would extend coverage of the Energy Employees Occupational Illness Compensation Program to qualified citizens of the Republic of the Marshall Islands and the Federated States of Micronesia. Finally, the legislation would require scientific monitoring of a specific nuclear weapons test site and a report on the health effects of nuclear testing in the Marshall Islands.

CBO estimates that enacting this bill would increase direct spending by \$58 million over the 2011-2020 period; therefore, pay-as-you-go procedures apply.¹ Enacting the bill would not affect revenues. We estimate that additional administrative and reporting costs would total less than \$2 million over the 2011-2012 period, assuming appropriation of the necessary funds.

S. 2941 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

1. Different time periods apply in the Senate for pay-as-you-go rules. CBO estimates that enacting S. 2941 would increase direct spending by \$25 million over the 2010-2014 period and by \$52 million over the 2010-2019 period.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2941 is shown in the following table. The budgetary effects of this legislation fall within budget functions 050 (national defense) and 800 (general government).

	By Fiscal Year, in Millions of Dollars										2011-	2011-
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
CHANGES IN DIRECT SPENDING ^a												
Supplemental Health Care Grants												
Estimated Budget Authority	5	5	5	5	5	5	5	5	5	5	25	52
Estimated Outlays	5	5	5	5	5	5	5	5	5	5	25	52
Energy Worker Compensation												
Estimated Budget Authority	2	1	1	1	1	*	*	*	*	*	6	6
Estimated Outlays	2	1	1	1	1	*	*	*	*	*	6	6
Total Changes												
Estimated Budget Authority	7	6	6	6	6	5	5	5	5	5	31	58
Estimated Outlays	7	6	6	6	6	5	5	5	5	5	31	58

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

a. In addition to the costs shown above, CBO estimates that implementing S. 2941 also would increase discretionary costs by less than \$2 million over the 2011-2012 period for administrative and reporting costs.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2941 will be enacted near the start of fiscal year 2011.

Supplemental Health Care Grant

Section 4 would appropriate \$4.5 million, plus adjustments for inflation as specified in the Compact of Free Association Amendments Act of 2003,² annually through 2023 for supplemental health care grants to communities of the Marshall Islands that were affected by the United States nuclear weapons testing program. Based on information from the Department of the Interior concerning the provision of health care on the islands and on the availability of roughly \$5 million per year under the bill, CBO estimates that this provision would increase direct spending by \$52 million over the 2011-2020 period.

2. Following the adjustments specified in that act, this legislation would appropriate \$5 million in 2011.

Energy Workers Compensation

Section 3 would expand the EEOICPA to cover citizens of the Republic of the Marshall Islands and the Federated States of Micronesia. EEOICPA provides monetary compensation and medical benefits to employees of the Department of Energy (DOE)—including DOE predecessor agencies—and DOE contractors if they develop beryllium disease, silicosis, or radiation-induced cancer as a result of working at a site used by the United States for the production or testing of nuclear weapons. Based on information from DOE and the Department of Labor, CBO estimates that, under the bill, approximately 20 additional workers or their survivors would be eligible for benefits under EEOICPA. We estimate that providing those benefits would increase direct spending by \$6 million over the 2011-2020 period (with nearly all of that cost falling in the 2011-2015 period).

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S.2941 as ordered reported by the Senate Committee on Energy and Natural Resources on June 21, 2010

By Fiscal Year, in Millions of Dollars													2010- 2015	2010- 2020
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020				
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	7	6	6	6	6	5	5	5	5	5	31	58	

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2941 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Matthew Pickford—Supplemental Health Care Grant
Jason Wheelock—Energy Worker Compensation

Impact on State, Local, and Tribal Governments: Ryan Miller

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Peter H. Fontaine
Assistant Director for Budget Analysis