

GRIFFITH PROJECT PREPAYMENT AND CONVEYANCE ACT

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JULY 10, 2000.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed
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Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany S. 986]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (S. 986) to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 986 is to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

BACKGROUND AND NEED FOR LEGISLATION

For the last six years, the Subcommittee on Water and Power of the Committee on Resources has pursued legislation to shrink the size and scope of the federal government through the defederalization of Bureau of Reclamation assets. S. 986 continues this process by directing the Secretary of the Interior to convey the Robert B. Griffith Water Project water distribution facilities to the Southern Nevada Water Authority.

The Griffith Project was authorized by Public Law 89-292 (commonly known as the Southern Nevada Water Project Act). The bill provides for the Southern Nevada Water Authority to accept responsibility for administration, operation, and maintenance of the Griffith Project and to pay the net present value of the remaining repayment obligation.

S. 986 directs the Secretary of the Interior to convey and assign to the Authority all right, title and interest of the United States

in and to the Griffith Project. The Griffith Project forms an integral part of a much larger water delivery system built separately by the Southern Nevada Water Authority and its constituent agencies. The Project consists of the intake facilities, pumping plants, and other items required to provide water from Lake Meade for distribution.

The House companion bill for S. 986 is H.R. 1696, authored by Congressman Jim Gibbons (R–NV). On October 7, 1999, the Subcommittee on Water and Power held a hearing on H.R. 1696.

COMMITTEE ACTION

S. 986 was introduced on May 6, 1999, by Senator Harry Reid (D–NV). On November 19, 1999, the Senate passed the bill by unanimous consent with an amendment. In the House of Representatives, the bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power. On June 15, 2000, the Subcommittee met to consider the bill. It was ordered favorably reported to the Full Committee without amendment by voice vote. On June 21, 2000, the Full Resources Committee met to consider the bill. No amendments were offered and the bill was ordered favorably reported by unanimous consent to the House of Representatives.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. *Cost of Legislation.* Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. *Congressional Budget Act.* As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in tax expenditures. According to the Congressional Budget Office, enactment of this bill would produce a net increase of \$103 million in receipts to the federal government in 2001, but this near-term cash savings would be offset by a loss of other offsetting receipts over the 2002–2033 time period.

3. *Government Reform Oversight Findings.* Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Com-

mittee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. *Congressional Budget Office Cost Estimate.* Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 23, 2000.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 986, the Griffith Project Prepayment and Conveyance Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs) and Marjorie Miller (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 986—Griffith Project Prepayment and Conveyance Act

Summary: S. 986 would direct the Secretary of the Interior, acting through the Bureau of Reclamation (Bureau) to convey the Robert B. Griffith Water Project (Griffith Project) to the Southern Nevada Water Authority (SNWA). The transfer would occur after the SNWA pays about \$112 million to the Bureau to meet its outstanding obligations under an existing repayment contract with the federal government. A substantial portion of the Griffith Project is located on federal lands administered by the National Park Service (NPS) and the Bureau of Land Management. Under S. 986, the SNWA would retain rights-of-way across this federal land at no cost.

CBO estimates that enacting S. 986 would yield a net increase in asset sale receipts of \$103 million in 2001, but that this near-term cash savings would be offset by the loss of other offsetting receipts over the 2002–2033 period. Because the legislation would affect direct spending, pay-as-you-go procedures would apply. CBO also estimates that implementing S. 986 could cost up to \$50,000 a year in appropriated funds over the 2002–2005 period.

S. 986 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The project conveyance, and any costs associated with it, would be voluntary on the part of the SNWA. The legislation would impose no costs on any other state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 986 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—				
	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING ¹					
Estimated budget authority	-103	9	9	9	9
Estimated outlays	-103	9	9	9	9

¹ S. 986 also would authorize additional spending, subject to appropriation, of up to \$50,000 a year over the 2002–2005 period.

Basis of estimate

For this estimate, we assume that S. 986 will be enacted by the end of fiscal year 2000. Based on information from the SNWA and the Bureau, CBO expects that the authority will make the prepayment during fiscal year 2001, and that the formal project conveyance will be completed during fiscal year 2002.

Direct Spending.—S. 986 would direct the Secretary of the Interior to sell the Griffith Project to the SNWA, in exchange for a one-time payment of about \$121 million. The legislation would allow the sales price to be adjusted for any payments after September 15, 1999, and before the project transfer is completed. According to the Bureau, the SNWA has made a payment of about \$9 million during fiscal year 2000. Thus, CBO expects a payment of about \$112 million to occur during fiscal year 2001 and estimates that those receipts would be offset by the loss of currently scheduled repayments of about \$9 million a year between 2001 and 2022 and \$6 million a year between 2023 and 2033.

Spending Subject to Appropriation.—Presently, the SNWA bears the full cost of operating and maintaining the Griffith Project. In addition, pursuant to an agreement with the Bureau, the SNWA would absorb all administrative costs associated with the conveyance. Thus, implementing this provision would not affect discretionary spending. The NPS currently collects about \$50,000 a year from the SNWA to offset the costs of administering and monitoring rights-of-way within the Lake Mead National Recreation Area. Under S. 986, the SNWA would maintain rights-of-way across these federal lands at no cost after the conveyance is completed. CBO estimates that implementing this provision would require a net increase in amounts appropriated to the NPS of about \$50,000 annually to continue administrative activities related to monitoring these rights-of-way.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-103	9	9	9	9	9	9	9	9	9
Changes in receipts											Not applicable

Under the Balanced Budget Act, proceeds from nonroutine asset sales (sales that are not authorized under current law) may be counted for pay-as-you-go purposes only if the sale would entail no financial cost to the government. Based on information provided by

the bureau, CBO estimates that the sale of the Griffith Project as specified in S. 986 would not result in such a financial cost to the government, and therefore, the proceeds would count for pay-as-you-go purposes.

Estimated impact on state, local, and tribal governments: S. 986 contains no intergovernmental mandates as defined in UMRA. In order to receive title to the Griffith project, the legislation would require the SNWA to assume all costs associated with the project and to prepay their outstanding liability to the federal government. The conveyance would be voluntary on the part of the authority, however, and these costs would be accepted by it on that basis. Further, the authority is already responsible for all costs of operating and maintaining the facility. The legislation would impose no costs on any other state, local, or tribal governments.

Estimated impact on the private-sector: This legislation contains no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On October 18, 1999, CBO transmitted a cost estimate for S. 986 as ordered reported by the Senate Committee on Energy and Natural Resources on October 6, 1999. The SNWA has made a repayment to the federal government of about \$9 million since that time. Because the legislation provides that the sale price may be adjusted for such repayments, we have revised our estimate of the net prepayment of the authority's outstanding obligations that would occur under this legislation. Other differences between the two estimates reflect changes in our assumption regarding when the legislation would be enacted and when the prepayment and project conveyance would occur.

Estimated prepared by: Federal cost: Megan Carroll; impact on State, local, and tribal governments: Marjorie Miller; impact on the private sector: Sarah Sitarek.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.