



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 26, 2012

S. 1735
**A bill to approve the transfer of Yellow Creek Port properties
in Iuka, Mississippi**

*As ordered reported by the Senate Committee Environment and Public Works
on July 25, 2012*

S. 1735 would authorize the Tennessee Valley Authority (TVA) to convey certain federal properties to the state of Mississippi. Enacting S. 1735 would affect direct spending; therefore, pay-as-you-go procedures apply to the bill. CBO estimates, however, that the net impact on direct spending would be insignificant over the 2013-2022 period. Enacting S. 1735 would not affect revenues or spending subject to appropriation.

S. 1735 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit the state of Mississippi.

Based on information from TVA and the state of Mississippi, CBO estimates that TVA would convey approximately 172 acres in an area known as the Yellow Creek Port in Iuka, Mississippi. Under a law enacted by the state in 2011, Mississippi is authorized to acquire the property if environmental assessments determine that the property is clear of any contaminants or pollutants and if TVA waives certain payment obligations. The conveyance is subject to Congressional approval because the transfer would occur through a noncompetitive process.

TVA would incur some administrative and other expenses to implement the conveyance, but CBO expects that those costs probably would be minimal in any given year. Although some spending may occur if the state's environmental assessments identify a need for remedial action, TVA anticipates that any such costs would be negligible and could occur under current law. Similarly, waiving the amounts due from Mississippi would have no effect on the budget because no such payments are expected over the next 10 years. Furthermore, any changes in TVA's expenses would have no significant net effect on direct spending over the 2013-2022 period, CBO estimates, because TVA is required by law to pass on all of its costs and savings to its electricity customers.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.