



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 12, 2007

H.R. 802 **Maritime Pollution Prevention Act of 2007**

*As ordered reported by the House Committee on Transportation and Infrastructure
on February 7, 2007*

H.R. 802 would implement the Protocol of 1997 to the International Convention for the Prevention of Pollution from Ships, 1973 (MARPOL). Based on information provided by the U.S. Coast Guard (USCG) and the Environmental Protection Agency (EPA), CBO estimates that implementing H.R. 802 would cost about \$4 million over the next five years, subject to the availability of appropriated funds. Enacting the bill would not affect direct spending or revenues.

Under H.R. 802, EPA and the USCG would establish regulations to implement MARPOL Annex VI, which addresses air pollution from ships. Both EPA and the USCG would be authorized to enforce those regulations, which would affect pollution from marine fuels. Based on information provided by EPA, CBO estimates that developing new regulations would cost that agency \$2 million over the next three years and that ongoing enforcement activities would cost \$1 million annually thereafter. We estimate that implementing the bill would have no significant effect on the Coast Guard's operating budget because that agency already has enforcement responsibilities under MARPOL that would probably not change significantly.

CBO has not reviewed the bill for the presence of intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that the legislation falls within that exclusion because it would implement Annex VI of the MARPOL Convention.

The CBO staff contacts for this estimate are Deborah Reis and Susanne Mehlman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.