



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 30, 2011

H.R. 2018 **Clean Water Cooperative Federalism Act of 2011**

*As ordered reported by the House Committee on Transportation and Infrastructure
on June 22, 2011*

H.R. 2018 would amend the Clean Water Act (CWA) to shift various regulatory powers concerning water treatment and the development of wetlands from the Environmental Protection Agency (EPA) to individual states. Major changes to the CWA would:

- Prohibit EPA from issuing a new water quality standard in any case in which a state standard has been approved by EPA, unless the state concurs with EPA that the revised or new standard is necessary to meet the requirement of the CWA;
- Prohibit EPA from withdrawing approval of a state program for issuing water quality permits under the CWA, or from limiting federal financial assistance for a state permitting program on the basis that EPA disagrees with the state regarding a standard that the state has adopted and EPA has approved;
- Prohibit EPA from vetoing a permitting decision by the Army Corp of Engineers involving wetlands unless the state concurs with the veto;
- Allow states to assume and administer parts of the CWA permitting program rather than all of it or none of it, as is the case under current law; and
- Shorten the deadlines applicable to federal agencies for making decisions on some permits to dredge and fill wetlands.

Many of the restrictions posed by this bill would affect some aspects of EPA's long-standing oversight and enforcement role related to state water quality established under the CWA. Currently, EPA usually spends more than \$2 billion each year on activities related to the CWA (including grants to states). However, many of the activities that would be precluded under H.R. 2018 occur infrequently under current law and have not

accounted for a significant fraction of the annual resources devoted to implementing the CWA. (For example, since the inception of the CWA in 1972, EPA has vetoed permitting decisions by the Army Corp of Engineers 13 times, and EPA has never withdrawn a state's delegated program.) Therefore, CBO estimates that enacting this legislation would not have a significant impact on EPA's budget to implement the CWA.

Pay-as-you-go procedures do not apply to H.R. 2018 because enacting the bill would not affect direct spending or revenues.

H.R. 2018 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.