



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 23, 2011

H.R. 2250 **EPA Regulatory Relief Act of 2011**

*As ordered reported by the House Committee on Energy and Commerce
on September 21, 2011*

SUMMARY

In March 2011, the Environmental Protection Agency (EPA) completed four final rules related to emissions standards for industrial boilers, process heaters, and incinerators. H.R. 2250 would prevent those rules from being implemented and require EPA to propose new regulations. EPA would have 15 months from the bill's enactment to finalize the new regulations; entities affected by those regulations would have at least five years to comply with the new rules. CBO estimates that enacting this legislation would have a net cost of \$1 million over the 2012-2016 period, subject to the availability of appropriated funds. Enacting H.R. 2250 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2250 contains no new intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing H.R. 2250 would have a net cost of \$1 million over the next five years. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2250 will be enacted by the end of 2011 and that the necessary amounts will be appropriated.

According to EPA, the agency spent about \$2 million over the 2007-2010 period to develop and finalize the emissions standards addressed by H.R. 2250. Furthermore, CBO estimates that it would cost EPA about \$2 million over the 2011-2016 period to implement and enforce those rules under current law. While enacting this bill would preclude EPA from spending resources on those activities, this legislation would require the agency to spend resources on proposing and finalizing new regulations.

The new regulations would be based on emissions limits that can be achieved in practice by facilities using available technology. At this time, EPA is uncertain how it would interpret this requirement for the new regulations and cannot say what the cost to develop the new rules would be. For this estimate, CBO assumes that rulemaking costs for the new rules would be similar to those for the prior effort (\$2 million) to issue regulations. CBO estimates that implementing and enforcing the new regulations required under H.R. 2250 would have an additional cost of about \$1 million over the 2012-2016 period.

On balance, CBO estimates that implementing this legislation would have a net cost \$1 million over the next five years.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2250 contains no new intergovernmental or private-sector mandates as defined in UMRA.

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