



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 18, 2014

H.R. 5077
Coal Jobs Protection Act of 2014
*As ordered reported by the House Committee on Transportation and Infrastructure
on July 16, 2014*

SUMMARY

H.R. 5077 would amend EPA’s regulatory authority under the National Pollutant Discharge Elimination System (NPDES) permitting program, part of the Clean Water Act (CWA).

CBO estimates that implementing this legislation would cost \$97 million over the 2015-2019 period, subject to appropriation of the necessary amounts. Enacting H.R. 5077 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5077 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and any costs incurred by state, local, or tribal governments would result from participation in a voluntary federal program.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5077 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					2015-2019
	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	20	20	20	20	20	100
Estimated Outlays	17	20	20	20	20	97

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5077 will be enacted near the end of 2014 and that the necessary amounts to implement the legislation will be appropriated each year.

The NPDES permitting program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. (Point sources are discrete conveyances such as pipes or man-made ditches). Proposed development activities that could result in such discharges are regulated through a review and permit process. The U.S. Army Corps of Engineers (Corps) is responsible for making such permitting decisions and the Environmental Protection Agency (EPA), under section 404(c) of the CWA, has the authority to restrict, prohibit, deny, or withdraw areas specified in permits before or after the permits are issued by the Corps. In most cases, EPA has delegated that authority to individual states, although EPA retains the authority to review certain actions taken by the states that are implementing the program.

Provisions of this legislation would:

- Prohibit EPA (or a state administering the NPDES program) from basing decisions to approve or deny an NPDES permit on EPA guidance;
- Prohibit EPA from modifying or revoking any permit for any discharge that originates in a state if the state does not agree with EPA's determination that the discharge would have an unacceptable adverse effect;
- Prohibit EPA from issuing a new or revised water quality standard for a pollutant if a water quality standard for that pollutant has already been approved by a state and EPA;
- Modify EPA's process for approving or denying a state plan to establish a total maximum daily load, which is the maximum amount of a pollutant a watershed can receive and still meet applicable water quality standards;
- Set deadlines for EPA and other federal agencies for commenting on and reviewing a NPDES permit application; and
- Require EPA to perform an analysis of the impact of its regulations or guidance documents on employment and economic activity before issuing them.

According to EPA and industry experts, most of the provisions included in this bill are aimed at limiting EPA's authorities under the NPDES program by precluding certain actions or shortening timeframes for its review of permit applications. While such restrictions could reduce spending by EPA, CBO does not expect that enacting this legislation would result in any significant cost savings because the bill mostly addresses actions that EPA rarely undertakes. For proposed development projects posing the most concern to EPA, it is likely that EPA would incur costs to review permits whether or not H.R. 5077 is enacted.

In contrast, the provision in H.R. 5077 requiring additional analyses related to employment and economic activity prior to issuing guidance and regulations would increase EPA's costs. Based on information from EPA, CBO estimates that such analysis and related public hearings would cost \$2 million, on average, to complete. Based on EPA's CWA regulatory plan from prior years, CBO estimates that EPA would undertake about 10 actions requiring a study of employment and economic impacts each year. Thus, we estimate that enacting this legislation would cost about \$20 million annually, subject to the availability of appropriated funds.

PAY-AS-YOU-GO-CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5077 contains no intergovernmental or private-sector mandates as defined in UMRA, and any costs incurred by state, local, or tribal governments would result from participation in a voluntary federal program.

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