



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 17, 2008

### **S. 3109**

#### **Hazardous Waste Electronic Manifest Establishment Act**

*As ordered reported by the Senate Committee on Environment and Public Works  
on July 31, 2008*

#### **SUMMARY**

S. 3109 would require the Environmental Protection Agency (EPA) to establish an electronic manifest system to track the handling of hazardous waste. This legislation would allow EPA to collect user fees to offset the cost of developing, operating, and maintaining the system. Under current law, individuals who handle hazardous waste must prepare a paper manifest, which is a form that provides a complete paper trail of a waste's progress from a generator through its treatment, storage, and disposal. Under S. 3109, generators or transporters of hazardous waste and the owners or operators of hazardous waste treatment, storage, or disposal facilities could elect to use the electronic manifest system or the existing paper system.

CBO estimates that enacting S. 3109 would increase revenues and direct spending by \$28 million over the 2009-2018 period. In addition, assuming appropriation of the necessary amounts, CBO estimates that implementing S. 3109 would increase discretionary spending by less than \$500,000 annually over the 2009-2010 period.

S. 3109 contains private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of the mandates would fall below the annual thresholds established in UMRA (\$136 million for private-sector mandates and \$68 million for intergovernmental mandates in 2008, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 3109 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												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2013	2009-2018
<b>CHANGES IN DIRECT SPENDING</b>												
Estimated Budget Authority	2	2	3	6	5	5	3	3	3	3	18	35
Estimated Outlays	2	2	3	3	3	3	3	3	3	3	13	28
<b>CHANGES IN REVENUES</b>												
Estimated Revenues	0	0	0	6	5	5	3	3	3	3	11	28
<b>NET CHANGE IN THE BUDGET DEFICIT OR SURPLUS FROM CHANGES IN REVENUES AND DIRECT SPENDING</b>												
Impact on Deficit/Surplus <sup>a</sup>	2	2	3	-3	-2	-2	0	0	0	0	2	0
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>												
Estimated Authorization Level		*	0	0	0	0	0	0	0	0	1	1
Estimated Outlays		*	0	0	0	0	0	0	0	0	1	1

Notes: \* = less than \$500,000.

a. Positive numbers indicate an increase in the deficit (or a decrease in the surplus); negative numbers indicate a decrease in the deficit (or an increase in the surplus).

## BASIS OF ESTIMATE

### Revenues and Direct Spending

S. 3109 would authorize EPA to collect user fees to offset the cost of establishing an electronic manifest system to track the handling of hazardous waste. Based on information from EPA, CBO expects that the system would be developed over the 2009-2011 period and that the agency would not collect user fees before the new system is used beginning in 2012. CBO expects that EPA would recover the costs of developing the system within five years of its launch and that the agency would reduce user fees once development costs were recouped.

Based on information from EPA, CBO estimates that about 114,000 users would obtain electronic manifests in 2012, with participation reaching 227,000 users in subsequent years. We estimate that, under this legislation, EPA would collect annual user fees totaling \$28 million over the 2009-2018 period.

Spending of the fees collected by EPA would increase direct spending and would likely begin in 2012. However, spending on developing the system would likely begin in 2009 because the legislation would give EPA the authority to spend fees in advance of their collection. CBO estimates that enacting this legislation would increase federal outlays by \$28 million over the 2009-2018 period.

### **Spending Subject to Appropriation**

Enacting legislation also would require EPA to develop regulations related to the implementation of the electronic manifest system not later than one year after enactment. CBO estimates that funding of less than \$500,000 annually in 2009 and 2010 would be necessary to meet this requirement.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 3109 contains private-sector and intergovernmental mandates as defined in UMRA. CBO estimates that the cost of the mandates would fall below the annual thresholds established in UMRA (\$136 million for private-sector mandates and \$68 million for intergovernmental mandates in 2008, adjusted annually for inflation).

The bill would require waste management facilities to comply with certain state requirements for tracking hazardous waste. The bill also would require those facilities and any hazardous waste management facility that uses a paper system to submit a copy of the manifest to the electronic system established under the bill. The mandated facilities would primarily be private entities but could include municipal and county landfills. CBO expects that the cost to complete a manifest and to submit a paper copy to the electronic system would be minimal. Because most facilities already comply with similar state requirements and fewer than five million manifests are estimated to be submitted per year, CBO estimates that the cost to comply with the mandates would be small relative to the annual thresholds.

The bill also would authorize EPA to establish fees for users of the electronic manifest system, which could include those facilities that are required to submit a copy of a paper manifest. CBO estimates that such fees would total less than \$6 million annually beginning in fiscal year 2012.

## **Other Impacts**

CBO expects that participants in the electronic manifest system created by the bill could save money in comparison to the paper manifest system. Participants include generators, transporters, and recipients of hazardous waste, as well as state agencies that collect copies of manifests.

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