



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 25, 1999

### **S. 880**

### **Fuels Regulatory Relief Act**

*As ordered reported by the Senate Committee on Environment and Public Works on  
May 11, 1999*

#### **SUMMARY**

CBO estimates that enacting S. 880 would result in no significant additional costs or savings to the federal government. Because S. 880 could affect direct spending and receipts, pay-as-you-go procedures would apply to the bill, but CBO estimates that any impact on direct spending and receipts would not be significant.

S. 880 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to comply with those mandates would fall below the threshold established by that act (\$50 million in 1996, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

S. 880 would exempt flammable fuels that are not acutely toxic from provisions of the Clean Air Act that require risk management planning. That act requires operators of stationary sources that produce, process, handle, or store certain hazardous materials to prepare risk management plans every five years for review by the Environmental Protection Agency (EPA). S. 880 also would require EPA to restrict access to some information in risk management plans. Upon request, the agency could provide such information to the public and could charge fees to cover the cost of this service. Under the bill, criminal penalties could be imposed on any federal or local government employee who violates the bill's provisions regarding public release of information contained in a risk management plan.

EPA estimates that nearly 70,000 facilities will have to prepare risk management plans for the agency's review under current law. S. 880 would exempt almost half of these facilities from this requirement. The exemption would apply to facilities that use flammable fuels, such as propane. By exempting those facilities from the reporting requirement, the bill would lead to a savings of less than \$1 million a year in EPA's administrative costs.

Some of the savings would likely be offset by additional costs imposed on EPA by the requirements in the bill to restrict access to risk management plans. EPA had planned to make risk management plans available via the Internet to state and local officials, emergency planning officials, and the interested public. S. 880 would direct EPA to provide access to paper or electronic copies of risk management plans only in a form that could not be copied. The bill would authorize EPA and the Government Printing Office (GPO) to use the nation's depository libraries to make this information available. CBO expects that EPA and GPO would utilize an electronic (computer-based) means to ensure that plans could not be copied. If electronic means were not used, the cost of providing paper copies of all risk management plans (as much as 1 million pages of text) to each depository library could exceed \$20 million. The bill also would direct EPA to provide paper copies of risk management plans to the public, when requested, but the agency could collect fees to offset the costs of processing and reproducing such information.

Under S. 880, government officials violating the restrictions on disseminating information would be subject to criminal fines. Collections of such fines are recorded in the budget as governmental receipts, or revenues, which are deposited in the Crime Victims Fund and spent in the following year. CBO estimates that any increase in revenues and direct spending would be negligible.

S. 880 contains intergovernmental mandates as defined in the UMRA because it would preempt state and local freedom-of-information laws by imposing federal guidelines for the release of some of the information contained in risk management plans. Based on information from EPA, these guidelines would likely require state and local governments to mail out information when requested, and to maintain records in order to comply with limits on the number of requests per individual.

While complying with these requirements could be expensive in some cases, CBO estimates that, for a number of reasons, total costs would be below the threshold established in UMRA. First, state and local governments could choose not to release the information and instead direct inquiries to EPA. Second, even for those governments that chose to release information according to the guidelines, it is unlikely that the number of requests would be high enough to result in total costs that reach the threshold. Furthermore, those governments could charge fees to recoup some or all of their costs. Because the bill also would exempt certain flammable substances from risk management plans, state and local governments that use propane to fuel vehicles or for other purposes would realize a savings because they would no longer be required to prepare and file such plans.

The CBO staff contacts are Kim Cawley (for federal costs) and Lisa Cash Driskill (for the state and local impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.