



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 20, 2004

S. 1798

American Home Fire Safety Act

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on September 22, 2004*

SUMMARY

S. 1798 would require the Consumer Product Safety Commission (CPSC) to evaluate and report to the Congress on fire hazards of bedding and candles. The bill also would require CPSC to prepare two additional reports in the event that it does not promulgate separate fire-safety regulations for upholstered furniture and mattresses. In addition, the bill would require CPSC to develop a registry of fire-resistant chemicals in or on products sold or used in the United States. S. 1798 would authorize the appropriation of \$3 million in 2005 for those activities.

CBO estimates that implementing S. 1798 would cost less than \$500,000 in 2005 and \$3 million over the 2005-2009 period, assuming the appropriation of the specified amount. S. 1798 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1798 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

| | By Fiscal Year, in Millions of Dollars | | | | |
|--|--|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

| | | | | | | |
|---------------------|---|---|---|---|---|---|
| Authorization Level | 3 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | * | 1 | 1 | * | * | * |

* = Less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted in the fall of 2005 and that the authorized amount will be appropriated.

Under current law, the Consumer Product Safety Commission administers four statutes related to safe products: the Consumer Product Safety Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Flammable Fabrics Act. Setting up and maintaining a chemical registry would be entirely new activities for CPSC. CBO assumes the commission would promulgate regulations to collect information from manufacturers and importers for the registry, rather than rely on firms to voluntarily report data. Although the bill does not provide explicit rulemaking authority, CPSC believes it could use existing authority provided by the Federal Hazardous Substances Act to require firms to provide data for the registry.

CBO estimates that implementing S. 1798 would cost less than \$500,000 in 2005 and about \$3 million over the 2005-2009 period. This estimate is based on information from CPSC about the resources needed to publish reports and a final rule establishing reporting requirements for industry, and on information from the Environmental Protection Agency (EPA) about the costs of creating and updating a chemical database. CBO expects that developing the chemical-reporting rule would require four full-time equivalent staff about two years to complete. That level is double the staff that CPSC estimates it used to issue a reporting rule for wood stoves, since there are likely to be more issues involved in a reporting rule for the chemical industry. Also, CBO assumes CPSC would incur half the costs EPA needed to update and maintain a database of high-volume, toxic chemicals. Both CPSC and EPA expect about 1,000 to 2,000 flame-retardant chemicals would be monitored, compared to more than 9,000 tracked in the EPA database.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1798 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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