



**CONGRESSIONAL BUDGET OFFICE  
MANDATES COST ESTIMATE**

September 24, 2004

**S. 2488**

**Marine Debris Research and Reduction Act**

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

**SUMMARY**

S. 2488 contains both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) because it would impose requirements on all public and private owners and operators of port terminals and small commercial vessels. Because of uncertainty about how regulators would implement one of the mandates, CBO cannot determine the aggregate cost of private-sector mandates in the bill. Based on information from government and industry sources, CBO estimates that the aggregate cost of intergovernmental mandates in the bill would fall below the annual threshold (\$60 million in 2004, adjusted annually for inflation) established by the act.

**MANDATES CONTAINED IN THE BILL**

S. 2488 would impose requirements on all public and private owners and operators of port terminals. In addition, the bill would impose requirements on the owners and operators of small commercial vessels.

**Mandates on Port Terminals**

Port terminals are facilities within the waters of a port consisting of one or more docks. The bill would require operators of terminals to maintain on-site receptacles for receiving plastic waste from docked vessels. Terminal operators also would be required to maintain a log of waste received to help track and verify proper garbage disposal from vessels. Because port authorities include public and private-sector entities, such requirements would be both intergovernmental and private-sector mandates as defined in UMRA.

## **Mandates on Vessels**

S. 2488 also would broaden to smaller vessels two existing mandates that currently apply to large vessels. In addition, the bill would require certain small vessels to maintain receptacles on board for collecting solid waste. The bill would distinguish between two categories of small vessels: commercial vessels that are less than 40 feet in length, and those weighing less than 400 gross tons.

Under current law, vessels 40 feet or longer are required to maintain a waste management plan. This requirement is a part of the regulations that implement Annex V of MARPOL, an international agreement governing the transportation of oil and noxious liquid and garbage disposal practices aimed at controlling levels of chemical and waste pollution of the oceans. The bill also would require certain smaller vessels—those shorter than 40 feet—to comply with these regulations; however, the bill would authorize the U.S. Coast Guard (USCG) to take into account the potential economic impacts and technical feasibility of these requirements as it implements the regulations for smaller vessels.

Finally, the bill would expand to all vessels entering U.S. ports the current requirement that vessels weighing 400 hundred gross tons or greater keep records of the garbage that they dispose.

## **ESTIMATED DIRECT COSTS OF MANDATES**

### **Are Statutory Thresholds Exceeded?**

CBO is uncertain about how regulators would implement the mandate on terminal operators to provide receptacles for collecting plastics. Therefore, we cannot determine the aggregate cost of mandates in the bill. Depending on how the requirements are implemented, the costs to both private and public operators could vary greatly. Although the range of possible costs for private terminals is too broad to predict whether aggregate costs of private-sector mandates would exceed the annual threshold established by UMRA (\$120 million in 2004, adjusted annually for inflation), information from government and industry sources indicates that total costs for publicly operated terminals are likely to fall below the annual threshold for intergovernmental mandates (\$60 million in 2004, adjusted annually for inflation).

## **Total Direct Costs of Mandates**

The costs to comply with the mandate to provide waste receptacles for plastics would vary depending on the specific Coast Guard requirements (e.g., number of receptacles, location, frequency of disposal) that have yet to be finalized. Therefore, CBO cannot determine the total cost of complying with such requirements. Under current law, the owners and operators of the vessels that dock at ports generally pay businesses directly for the disposal of their solid wastes. Although the bill would require terminals to provide for some disposal, CBO expects that they would pass along the disposal costs to the vessels using their facilities. Because there are relatively few publicly operated terminals, CBO estimates that the cost for public ports to maintain plastic receptacles would not exceed \$25 million annually.

Industry sources CBO contacted estimate that it would take ports about one hour per day to maintain logs of the plastic waste they receive as required by the bill. Based on those data and other information about average wage rates, CBO estimates that such requirements would cost terminal operators a total of about \$20 million annually; private operators would bear about \$15 million of the cost while public operators would bear about \$5 million annually.

Registration records from the USCG indicate that there are about 83,000 commercial ships less than 40 feet. According to industry experts, the cost per vessel of obtaining a waste management plan and familiarizing crew members with the plan would be small and amount to about \$120 per vessel on average. Assuming all commercial vessels less than 40 feet had to comply with the mandate, the cost to the private sector could amount to about \$10 million. The requirement to maintain shipboard receptacles for garbage collection would impose minimal costs on the vessels to which this would apply. Generally, vessels already maintain receptacles onboard to prevent garbage from littering the deck and compartments of the ship.

Finally, these USCG records list 98,580 commercial vessels weighing less than 400 hundred gross tons; these vessels would face additional costs to keep records of garbage disposal. Based on information from the USCG and other government sources regarding estimated time for recordkeeping and average wages, CBO estimates that the cost to small commercial vessels to maintain disposal logs would amount to about \$60 million annually.

## **PREVIOUS CBO ESTIMATE**

CBO's analysis of the federal costs of S. 2488 was transmitted on September 10, 2004.

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