

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 3, 2006

H.R. 4591 Stockholm and Rotterdam Toxics Treaty Act of 2006

As ordered reported by the House Committee on Energy and Commerce on July 21, 2006

H.R. 4591 would amend the Toxic Substances Control Act to authorize the Environmental Protection Agency (EPA) to implement provisions of three international environmental agreements: the Stockholm Convention on Persistent Organic Pollutants (POPs Convention), the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution for POPs (POPs Protocol to LRTAP), and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC Convention). Those agreements are intended to help protect environmental and human health by eliminating or restricting the use of certain chemicals and to provide a means for participating countries to obtain and disseminate information about chemicals that may be imported and exported.

CBO estimates that implementing H.R. 4591 would cost \$10 million over the next five years, assuming appropriation of the necessary amounts. Funds would support additional personnel that would be needed at EPA under this legislation. While EPA currently regulates many of the chemicals that would be affected by these agreements, implementing this legislation would result in additional responsibilities for EPA. Specifically, EPA would participate in the international process for determining whether additional chemicals should be prohibited or restricted from use under the agreements. The agency would then oversee the process necessary to meet any prohibitions or restrictions of the use of chemicals that the United States chooses to pursue. EPA's duties would include issuing public notices following decisions by the committees established under the agreements and developing and enforcing regulations when necessary. In establishing regulations, EPA would be required to conduct an analysis of the environmental and health benefits and risks, the economic consequences, and the national and international effects of regulating or banning certain chemicals.

Based on information from EPA, CBO estimates that these activities would cost about \$2 million a year, subject to the availability of appropriated funds. Enacting H.R. 4591 would not affect direct spending or revenues.

Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. H.R. 4591 would implement the following treaties: POPs Convention, PIC Convention, and POPs Protocol to LRTAP. CBO has determined that because this bill would implement three environmental treaties, it falls within that exclusion. CBO has thus not reviewed the bill for intergovernmental or private-sector mandates.

The CBO staff contacts for this estimate are Susanne S. Mehlman and Leigh Angres. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.