



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 6, 2011

H.R. 1633
Farm Dust Regulation Prevention Act of 2011

*As ordered reported by the House Committee on Energy and Commerce
on November 30, 2011*

SUMMARY

H.R. 1633 would prohibit the Environmental Protection Agency (EPA) from issuing any new National Ambient Air Quality Standard for particulate matter (PM) greater than 2.5 micrometers in diameter for at least one year from the date of enactment. This legislation also would amend the Clean Air Act (CAA) to exclude, with an exception, PM considered to be “nuisance dust” from regulation by the CAA. That exception would apply to areas without any state, tribal, or local regulation of “nuisance dust” if EPA finds that such dust would cause substantial adverse effects and only if regulating it would result in benefits that outweigh the costs, including economic and employment impacts.

Nuisance dust would be defined in the legislation to mean PM that is generated primarily from natural sources, unpaved roads, agricultural activities, earth moving, or other activities typically conducted in rural areas, and consists primarily of soil or other natural biological materials. PM that is emitted into the air from combustion or is produced from uranium mining or processing would be excluded from this definition.

CBO estimates that implementing this legislation would cost \$10 million over the 2012-2016 period, assuming appropriation of the necessary funds. Such funding would cover EPA’s costs to carry out changes to certain existing emission control standards, and activities to study the need and feasibility of modifying EPA’s national monitoring network for PM.

Pay-as-you-go procedures do not apply to H.R. 1633 because the bill would not affect direct spending or revenues.

H.R. 1633 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1633 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					2012-
	2012	2013	2014	2015	2016	2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	*	2	2	3	3	10
Estimated Outlays	*	2	2	3	3	10

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

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1633 will be enacted in calendar year 2012 and that the necessary amounts to implement this legislation will be appropriated for each year. In total, CBO estimates that implementing this legislation would cost about \$10 million over the next five years.

EPA has established two standards for PM—one for coarse particles measuring between 2.5 and 10 micrometers and one for fine particles that are 2.5 micrometers in diameter or less. Currently, EPA is not planning to revise any standard related to coarse PM. Thus, CBO estimates that implementing section 2 of this legislation to prohibit such regulation would have no significant impact on the federal budget.

CBO estimates, however, that exempting nuisance dust from regulation under the CAA would require EPA to revise certain existing emission control standards, including those regulations that target PM as well as those that affect toxic substances in the air, to the extent that nuisance dust may be covered by those standards. Some of those revisions would be necessary because the agency expects some sources of PM would petition EPA to modify certain regulations. According to EPA, it costs on average \$500,000 to revise a clean air standard; this cost includes both the personnel and contract costs required to revise cost and benefit models, determine new environmental impacts, reassess monitoring and modeling data, publish a proposal, receive and respond to public comments, and issue a final rule for the revision. Over the next five years, CBO expects that, under the bill, several existing standards would be reviewed at a cost of \$5 million.

In addition, CBO estimates that EPA would incur additional costs to consider the need to reconfigure its PM national network. That network consists of 200 sampling stations that determine the chemical composition of PM in the ambient air. Under the bill, EPA may need to modify that network in order to differentiate nuisance dust from other PM and in order to revise various emission control standards that are based on monitoring data. Industry experts that CBO consulted note that there is some uncertainty about the feasibility of distinguishing nuisance dust from other PM. Consequently, CBO expects that EPA would initially study the possibility of updating its monitoring network before making any significant capital expenditures. Over the 1998-2000 period, EPA spent about \$50 million annually to develop and implement modifications to its air-sampling network to carry out regulations related to fine PM. Thus, CBO estimates that modifying this system to differentiate nuisance dust could be costly; however, spending to support that effort, if needed, would not occur until after 2016. Based on information from EPA, we expect that the agency would spend \$5 million over the next five years to study the need and feasibility of modifying its monitoring network.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1633 contains no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Susanne S. Mehlman
Impact on State, Local, and Tribal Governments: Ryan Miller
Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Theresa Gullo
Deputy Assistant Director for Budget Analysis