



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 31, 2012

H.R. 3158 **Farmers Undertake Environmental Land Stewardship Act**

*As ordered reported by the House Committee on Transportation and Infrastructure
on July 26, 2011*

H.R. 3158 would require the Environmental Protection Agency (EPA) to modify the Spill Prevention, Control, and Countermeasure (SPCC) rule, which regulates oil discharges into navigable waters and adjoining shorelines. A portion of the SPCC rule, effective May 10, 2013, will require farmers to develop an oil spill prevention plan that is certified by a professional engineer. Those plans could involve certain infrastructure changes to reduce the possibility of oil spills. Such plans will apply to farms that store more than 1,320 gallons of oil products in aboveground containers or more than 42,000 gallons of oil products in buried containers that could reasonably be expected to discharge oil into waters of the United States.

Enacting H.R. 3158 would ease some compliance requirements for farmers, depending on the capacity of oil product containers located on a farm and whether a farm has previously experienced any spills. Specifically, under the bill, certification of compliance with the EPA rule by a professional engineer would only be required if the farm has an individual tank with a storage capacity greater than 10,000 gallons, has an aggregate storage capacity greater than or equal to 42,000 gallons, or has previously experienced a spill. However, an owner or operator of a farm could provide self-certification with the SPCC rule if the farm has an aggregate storage capacity greater than 10,000 gallons, but less than 42,000 gallons, and has no history of spills. Farms with an aggregate capacity of less than or equal to 10,000 gallons and no history of a spill would be exempt from all requirements of the SPCC rule.

CBO estimates that enacting this legislation would have no significant net impact on the federal budget. Based on information from EPA, CBO estimates that implementing and enforcing the SPCC rule as it pertains to farmers under current law will cost \$2 million over the next five years. Enacting this bill would exempt the majority of farms from complying with the rule and also would require EPA to amend the SPCC rule for farms and develop guidance and outreach material to educate affected stakeholders. CBO estimates that resources that would have been used to support the existing rule over the next five years would instead be used to implement H.R. 3158.

Pay-as-you-go procedures do not apply to H.R. 3158 because enacting the bill would not affect direct spending or revenues.

H.R. 3158 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.