



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 30, 2014

**H.R. 4007**  
**Chemical Facilities Anti-Terrorism Standards Program**  
**Authorization and Accountability Act of 2014**

*As ordered reported by the House Committee on Homeland Security on April 30, 2014*

H.R. 4007 would make permanent the Department of Homeland Security’s (DHS’s) authority to regulate security at certain chemical facilities in the United States. Under the Chemical Facility Anti-Terrorism Standards (CFATS) program, DHS collects and reviews information from chemical facilities in the United States to determine which facilities present security risks. Facilities determined to present a high level of security risk are then required to develop a Site Security Plan (SSP). DHS in turn conducts inspections to validate the adequacy of a facility’s SSP and their compliance with it. The program is set to end on October 4, 2014.

H.R. 4007 would authorize appropriations of slightly more than \$87 million annually for the CFATS program over the 2015-2017 period. That program received \$81 million in 2014. Based on the proposed authorization level for the 2015-2017 period and adjusting for inflation, CBO estimates that the continued implementation of CFATS would require appropriations of \$90 million in 2018 and \$93 million in 2019. Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing H.R. 4007 would cost \$427 million over the 2015-2019 period.

	By Fiscal Year, in Millions of Dollars					2015-2019
	2015	2016	2017	2018	2019	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	87	87	87	90	93	445
Estimated Outlays	46	76	98	102	105	427

Note: Numbers do not add to totals because of rounding.

Enacting H.R. 4007 could result in the collection of additional civil penalties, which are recorded as revenues and deposited in the Treasury; therefore, pay-as-you-go procedures apply. However, CBO estimates that such collections would be insignificant. Enacting the bill would not affect direct spending.

H.R. 4007 would extend intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), on owners and operators of public and private facilities where certain chemicals are present. Current law requires owners and operators to assess the vulnerability of their facilities to a terrorist incident and to prepare and implement facility security plans. This bill would make permanent the authority for DHS to regulate those facilities by establishing minimum standards to protect facilities from acts of terrorism and other security risks. Because public and private entities already meet the requirements of similar regulations, CBO estimates that the aggregate additional costs to comply with the mandates would be small and would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$76 million and \$152 million, respectively, in 2014, adjusted for inflation).

The CBO staff contacts for this estimate are Jason Wheelock (for federal costs), Melissa Merrell (for the intergovernmental impact), and Marin Burnett (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.