



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 27, 2015

H.R. 1732 **Regulatory Integrity Protection Act of 2015**

*As ordered reported by the House Committee on Transportation and Infrastructure
on April 15, 2015*

H.R. 1732 would require the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) to withdraw the proposed rule published in the *Federal Register* on April 21, 2014, that defines the scope of waters protected by the Clean Water Act (CWA). Under the CWA, EPA and the Corps, along with the states, serve as co-regulators of activities affecting the nation's waters.

CBO estimates that implementing H.R. 1732 would cost \$5 million over the 2016-2020 period, subject to the availability of appropriations. The legislation would affect direct spending because it would reduce fees collected by the Corps for issuing permits under the CWA. However, CBO estimates that the change in those fees would be negligible. Because the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 1732 would not affect revenues.

The bill would require EPA and the Corps to develop a new proposed rule, taking into account public comments submitted for the April 21, 2014, proposed rule as well as the regulatory analysis for that proposed rule and a related EPA report issued in January 2015. This legislation also would direct EPA and the Corps to consult with state and local officials, stakeholders, and other interested parties to seek consensus on which waters and wetlands are covered by the CWA. Finally, H.R. 1732 would require EPA and the Corps to prepare a report for the Congress that responds to public comments filed on the April 2014 proposed rule and associated documents and that describes how the new proposed rule addresses such comments. The report also would have to explain how the new proposed rule addresses the advice and recommendations obtained from other parties, and it would have to include a comprehensive regulatory and economic analysis of the new proposed rule.

Under H.R. 1732, CBO expects that funds that would have been used to develop and implement the current proposed rule and to draft guidance would be used to develop an alternative regulatory proposal. Based on EPA's prior experience in developing new regulations, CBO estimates that it would cost an additional \$5 million over the 2016-2020 period to address the roughly 1 million comments EPA and the Corps have received

concerning the April 2014 proposed rule, conduct extensive outreach efforts to interested parties, and help prepare a comprehensive regulatory and economic analysis.

The regulatory changes proposed under current law would expand the area covered by federal regulations and increase the number of permits issued by the Corps under the CWA to dispose of dredged or fill material from development projects near regulated waters. CBO expects that the legislation would probably reduce or delay that expansion leading to a reduction in the number of permits issued. Because the amount charged for those permits is nominal, CBO estimates enacting H.R. 1732 would have an insignificant effect on offsetting receipts over the 2016-2025 period.

H.R. 1732 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act; any costs incurred by state, local, or tribal governments would result from participation in a voluntary federal program.

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