



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 5, 2015

S. 544

Secret Science Reform Act of 2015

*As ordered reported by the Senate Committee on Environment and Public Works
on April 28, 2015*

SUMMARY

S. 544 would amend the Environmental Research, Development, and Demonstration Authorization Act of 1978 to prohibit the Environmental Protection Agency (EPA) from proposing, finalizing, or disseminating a “covered action” unless all scientific and technical information used to support that action is publicly available online in a manner that is sufficient for independent analysis and substantial reproduction of research results. Covered actions would include assessments of risks, exposure, or hazards; documents specifying criteria, guidance, standards, or limitations; and regulations and regulatory impact statements.

Although S. 544 would not require EPA to disseminate any scientific or technical information that it relies on to support covered actions, the bill would not prohibit EPA from doing so. Based on information from EPA, CBO expects that EPA would spend \$250 million annually over the next few years to ensure the transparency of information and data supporting some covered actions, assuming the availability of appropriated funds.

Enacting S. 544 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. S. 544 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

This legislation would direct EPA to implement S. 544 using up to \$1 million a year from amounts authorized to be appropriated for other activities under current law. Although S. 544 would not authorize additional appropriations to implement the requirements of the bill, CBO estimates that implementing S. 544 would cost about \$250 million a year for the next few years, subject to appropriation of the necessary amounts. Costs in later years would probably decline gradually from that level. The additional discretionary spending

would cover EPA's costs of ensuring that the data underpinning the studies used to support EPA's regulations and other regulatory activities are accessible to the public in a format that enables independent analysis and reproduction of the results.

BASIS OF ESTIMATE

Under current law, EPA typically spends about \$500 million each year to support research and development activities, including assessments to determine the potential risk to public health from environmental contaminants. The number of studies involved in supporting covered actions depends on the complexity of the issue being addressed. For example, when addressing a recent issue with flaring at petroleum refineries, EPA relied on a dozen scientific studies. In contrast, when reviewing the National Ambient Air Quality Standards, the agency relied on thousands of scientific studies. In total, the agency relies on about 50,000 scientific studies annually to perform its mission—although some of those studies are used more than once from year to year.

Although EPA provides some access to the scientific and technical information it uses when issuing regulations and performing other related activities, enacting this bill would require EPA to provide a greater degree of transparency. Based on information from EPA, CBO estimates that the agency would spend, on average, \$10,000 per scientific study for activities to meet the bill's requirements. Specifically, such funding would cover the costs of obtaining all of the underlying data used in a study, reviewing the data to address any confidentiality concerns, formatting the data for public access, providing access to the computer codes and models used in the study's analysis, and providing descriptions and documentation on how to access the data. Such activities could entail correspondence and negotiations with study authors and publishers and computer processing services to construct and maintain data bases to store study-related information.

The costs of implementing S. 544 are uncertain because it is not clear how EPA would meet the bill's requirements. If EPA continued to rely on as many scientific studies as it has used in recent years, and worked to make all of the technical information used in such studies available to the public as directed by S. 544, then implementing the bill would cost at least several hundred million dollars a year. However, EPA could instead rely on significantly fewer studies each year in support of its mission, and limit its spending on increased transparency to a relatively small expansion of existing study-related activity; in that scenario, implementing the bill would be much less costly.

Thus, the costs of implementing S. 544 would ultimately depend on how EPA adapts to the bill's requirements. (It would also depend on the availability of appropriated funds to obtain access to all data underlying the scientific studies it uses and prepare it for use by the public.) CBO expects that EPA would modify its practices, at least to some extent, and would base its future work on fewer scientific studies, especially those studies that have

easily accessible or transparent data. Any such modification of EPA practices would also have to take into consideration the concern that the quality of the agency's work could be compromised if that work relies on a significantly smaller collection of scientific studies; we expect that the agency would seek to reduce its reliance on numerous studies without sacrificing the quality of the agency's covered actions related to research and development.

On balance—recognizing the significant uncertainty regarding EPA's potential actions under the bill—CBO expects that the agency would probably cut the number of studies it relies on by about one-half and that the agency would aim to limit the costs of the new activities required by the bill. As a result, CBO estimates the incremental costs to the agency would be around \$250 million a year initially, subject to appropriation of the necessary amounts. In our assessment that figure lies near the middle of a broad range of possible outcomes under S. 544. CBO expects that the additional costs to implement the legislation would decline over time as EPA became more adept and efficient at working with authors and researchers to ensure that the data used to support studies are provided in a standardized and replicable form.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 544 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On March 11, 2015, CBO transmitted a cost estimate for H.R. 1030, the Secret Science Reform Act of 2015, as ordered reported by the House Committee on Science, Space, and Technology on March 3, 2015. S. 544 and H.R. 1030 are similar and the CBO cost estimates for each bill are the same.

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