



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 22, 2017

S. 168

Commercial Vessel Incidental Discharge Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on January 24, 2017*

S. 168 would amend the environmental standards for water that is discharged from ships and would permanently exempt certain smaller vessels from those standards. Under current law, the United States Coast Guard (USCG) and the Environmental Protection Agency (EPA) set and enforce those standards.

S. 168 also would change the procedures that the United States follows to review and regulate water discharged from certain vessels. The legislation would increase the administrative responsibilities of the USCG to implement some of the laws that govern water discharged from ships and require that the USCG carry out those responsibilities in consultation with the EPA. Under current law, most of those responsibilities are carried out by the EPA under the Clean Water Act.

Under the bill, the EPA would no longer issue water discharge permits to vessels. Based on information from the EPA, CBO estimates that the agency currently spends roughly \$1 million per year to implement its share of those responsibilities under the Clean Water Act. CBO expects that the USCG would spend a similar amount—\$5 million over the 2018-2022 period—upon assuming those responsibilities from the EPA. Thus, CBO estimates that transferring those responsibilities would result in no net cost to the federal government. USCG would issue permits, conduct enforcement actions, and review proposals from states for more stringent standards.

Enacting S. 168 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 168 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 168 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would preempt state and local laws that regulate ballast water and other discharges of vessels by establishing a national uniform standard and set of best

management practices. Although it would limit the application of state and local regulations, the bill would impose no duty on state or local governments that would result in additional spending or a loss of revenues.

S. 168 contains no private-sector mandates as defined in UMRA.

The CBO staff contact for this estimate is Jon Sperl. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.