CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 30, 2013

H.R. 2850
EPA Hydraulic Fracturing Study Improvement Act of 2013

As ordered reported by the House Committee on Science, Space, and Technology on August 1, 2013

H.R. 2850 would require the Environmental Protection Agency (EPA) to follow certain procedures related to its ongoing Study *Potential Impacts of Hydraulic Fracturing on Drinking Water Resources*. (At the request of the Congress, EPA began this mulityear study in 2010; a progress report was issued in December 2012, and the draft report is expected to be released for public comment and peer review in 2014.) This legislation would require that any interim or final report pertaining to EPA's study be considered as a Highly Influential Scientific Assessment (HISA). With a HISA designation for the reports, EPA must adhere to more stringent standards for peer review, meet certain criteria related to data quality, and meet certain procedures for the dissemination of scientific, financial, or statistical information. This legislation also would require EPA to include estimates of the probability, uncertainty, and consequences of each identified impact on drinking water. Finally, H.R. 2850 would require that the final report be released by September 30, 2016; currently, there is no deadline for the report.

According to EPA, enacting this legislation would require additional resources primarily to address the requirement to include probability assessments in the study. The ongoing study is expected to discuss and describe appropriate levels of uncertainty associated with hydraulic fracturing but will not include any probability assessments. To include a scientifically sound assessment of probability with the appropriate level of detail, EPA would need to obtain additional site-specific data related to well construction, hydraulic fracturing, and wastewater management practices. Based on information from EPA, CBO estimates that implementing the changes proposed by this legislation would cost about $1 million annually, totaling $5 million over the 2014-2018 period assuming availability of appropriated funds. That funding would provide for additional personnel and related administrative expenses.

Enacting H.R. 2850 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2850 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

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