



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 11, 2008

### **H.R. 2452**

#### **A bill to amend the Federal Water Pollution Control Act to ensure that sewage treatment plants monitor for and report discharges of sewage, and for other purposes**

*As ordered reported by the House Committee on Transportation and Infrastructure  
on May 15, 2008*

H.R. 2452 would require owners and operators of publicly owned sewage treatment plants to notify federal and state agencies and the public in a timely manner of any sewer overflows. Under this legislation, the Environmental Protection Agency (EPA) would be required to develop regulations establishing guidelines for the notifications. The legislation also would expand the types of activities that are eligible to receive funds from the Clean Water State Revolving Fund.

Based on information from EPA, CBO estimates that implementing this legislation would cost about \$1 million in 2009 and less than \$500,000 in subsequent years, subject to the availability of appropriations. Enacting the bill would not affect direct spending or receipts.

H.R. 2452 contains several intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Specifically, the bill would direct EPA to implement new permit requirements that would mandate treatment plants to:

- Institute and utilize a monitoring program for sewer overflows, including combined sewer overflows and sanitary sewer overflows;
- Notify the public of a sewer overflow within 24 hours if there are potential effects on human health;
- Notify public health authorities and other affected entities, such as public water systems, if there is a potential risk to human health due to a sewer overflow;
- Report each sewer overflow on monthly discharge monitoring reports to EPA or the state. This report must include the magnitude, cause, and mitigation efforts for the specific overflows; and

- Submit an annual report to EPA or the state on the number of overflows in a calendar year, including the details of magnitude, duration, location, potentially affected receiving waters, and mitigation efforts. If a state receives a report under this requirement, that state must submit to EPA a summary of the report.

Without knowing the precise nature of the regulations that EPA would issue as a result of this bill, CBO cannot make a precise estimate of the costs of the mandates. Based on information from affected entities, however, we estimate that the costs of the mandates could exceed the threshold established in UMRA. The bill's new requirements would involve additional personnel costs and could necessitate new infrastructure and engineering expertise. According to EPA and the National Association of Clean Water Agencies (NACWA), over 16,000 treatment plants operate in the United States, and each of those entities could be affected by the permitting requirements in H.R. 2452. Infrastructure changes, if required by the regulations, could be particularly expensive. Given the large number of affected entities, even a small increase in additional costs (less than \$4,500 per entity annually) would result in costs that exceed the threshold for intergovernmental mandates (\$68 million in 2008, adjusted annually for inflation). The bill also would expand the types of activities eligible to receive funds from the Clean Water State Revolving Fund to include the monitoring requirements discussed above.

The bill contains no new private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs) and Neil Hood (for the state and local impact). This estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.