



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 6, 2011

### **S. 710** **Hazardous Waste Electronic Manifest Establishment Act**

*As ordered reported by the Senate Committee on Environment and Public Works  
on April 15, 2011*

#### **SUMMARY**

S. 710 would require the Environmental Protection Agency (EPA) to establish an electronic manifest system to track the handling of hazardous waste. This legislation would allow EPA to collect user fees to offset the cost of developing, operating, and maintaining the system. Under current law, individuals who handle hazardous waste must prepare a paper manifest, which is a form that provides a complete paper trail of a waste's progress from a generator through its treatment, storage, and disposal. Under S. 710, generators or transporters of hazardous waste and the owners or operators of hazardous waste treatment, storage, or disposal facilities could elect to use the electronic manifest system or the existing paper system.

Pay-as-you-go procedures apply to S. 710 because enacting this legislation would affect direct spending and revenues. CBO estimates that enacting S. 710 would increase both revenues and direct spending by \$28 million over the 2011-2021 period. In addition, CBO estimates that implementing S. 710 would cost less than \$500,000 annually in 2012 and 2013, subject to the availability of appropriated funds.

S. 710 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), on facilities that handle hazardous waste. CBO estimates that the cost of the mandates would fall below the annual thresholds established in UMRA (\$71 million for intergovernmental mandates and \$142 million for private-sector mandates in 2011, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 710 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2016	2012-2021
<b>CHANGES IN DIRECT SPENDING</b>												
Estimated Budget Authority	35	0	0	0	0	0	0	0	0	0	35	35
Estimated Outlays	2	2	3	3	3	3	3	3	3	3	13	28
<b>CHANGES IN REVENUES</b>												
Estimated Revenues	0	0	0	6	5	5	3	3	3	3	11	28
<b>NET CHANGE IN THE BUDGET DEFICIT FROM CHANGES IN REVENUES AND DIRECT SPENDING</b>												
Impact on Deficit <sup>a</sup>	2	2	3	-3	-2	-2	0	0	0	0	2	0
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>												
Estimated Authorization Level	0	*	*	0	0	0	0	0	0	0	1	1
Estimated Outlays	0	*	*	0	0	0	0	0	0	0	1	1

Notes: \* = less than \$500,000.

a. Positive numbers indicate an increase in the deficit; negative numbers indicate a decrease in the deficit.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 710 will be enacted by the end of fiscal year 2011.

### Revenues and Direct Spending

S. 710 would authorize EPA to enter into a contract to develop and maintain the electronic manifest system in advance of, or in excess of, available appropriations. Based on information from EPA, CBO estimates that the contract would cost about \$35 million. Because entering into the type of contract authorized by the legislation is an obligation of the federal government, its total cost—\$35 million—would be recorded as new budget authority in 2012. Though this legislation would also authorize EPA to collect user fees to offset the cost of establishing and maintaining this system, such fees could not be collected before the new system is in operation beginning in 2015. CBO expects that EPA would recover the costs of developing the system (about \$22 million) within five years of its launch and that the agency would reduce user fees to a level that would cover maintenance costs once development costs were recouped.

Based on information from EPA, CBO estimates that about 114,000 users would obtain electronic manifests in 2015, with participation reaching 227,000 users in subsequent years. We estimate that, under this legislation, EPA would collect annual user fees totaling \$28 million over the 2012-2021 period.

Spending of the fees collected by EPA would increase direct spending and would likely begin in 2015. However, spending on developing the system would likely begin in 2012 because the legislation would give EPA the authority to spend fees in advance of their collection. CBO estimates that enacting this legislation would increase federal outlays by \$28 million over the 2012-2021 period.

### Spending Subject to Appropriation

Enacting legislation also would require EPA to develop regulations related to the implementation of the electronic manifest system not later than one year after enactment. CBO estimates that funding of less than \$500,000 annually in 2012 and 2013 would be necessary to meet this requirement.

## PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 710, the Hazardous Waste Electronics Manifest Establishment Act, as ordered reported by the Senate Committee on Environment and Public Works on April 15, 2011

	By Fiscal Year, in Millions of Dollars												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-2016	2011-2021
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	2	2	3	-3	-2	-2	0	0	0	0	2	0

## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 710 would impose intergovernmental and private-sector mandates, as defined in UMRA, on facilities that handle hazardous waste. CBO estimates that the cost of the mandates would fall below the annual thresholds established in UMRA (\$71 million for

intergovernmental mandates and \$142 million for private-sector mandates in 2011, adjusted annually for inflation).

The bill would require waste management facilities that receive hazardous waste generated in or shipped through other states to submit copies of shipment manifests to EPA. The bill also would authorize EPA to require those facilities and any hazardous waste management facility that uses a paper system to submit a copy of the manifest to the electronic system established under the bill. The mandated facilities would primarily be private entities but could include municipal and county landfills. Because the cost to complete a manifest and to submit a paper copy to the electronic system would be minimal, CBO estimates that the cost to comply with the mandates would be small.

The bill also would authorize EPA to establish fees for users of the electronic manifest system. CBO estimates that such fees would total \$6 million or less annually beginning in fiscal year 2015.

### **Other Impacts**

CBO expects that participants in the electronic manifest system created by the bill could save money in comparison to the paper manifest system. Participants include generators, transporters, and recipients of hazardous waste, as well as state agencies that collect copies of manifests.

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