



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 20, 2003

S. 1039

Wastewater Treatment Works Security Act of 2003

*As ordered reported by the Senate Committee on Environment and Public Works
on May 15, 2003*

SUMMARY

CBO estimates that implementing this legislation would cost \$234 million over the next five years, assuming appropriation of the authorized amounts. The funds would be used by the Environmental Protection Agency (EPA) to make grants to states, municipalities, or intermunicipal or interstate agencies to conduct vulnerability assessments of publicly owned wastewater treatment facilities and to undertake security enhancements at such facilities. In addition, the funds would be used by EPA to provide technical assistance to small publicly owned treatment facilities, such as training and engineering evaluations of security measures, and to make grants to treatment facilities operated by nonprofit organizations to conduct self-assessments of security vulnerabilities. S. 1039 also would authorize funding for EPA to research and review ways that wastewater treatment facilities could be intentionally harmed and how wastewater could be treated and disposed of in the event a facility is damaged.

Enacting S. 1039 would not affect direct spending or revenues. S. 1039 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2003. CBO estimates that implementing the bill would cost \$234 million over the 2004-2008 period, assuming appropriation of the amounts authorized for each year. Those estimated outlays are based on historical patterns for similar activities. The estimated budgetary impact of S. 1039 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 | | | | |
|--|--|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Grants for Wastewater Treatment Security | | | | | |
| Authorization Level | 200 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 100 | 60 | 30 | 10 | 0 |
| Grants for Small Publicly Owned Treatment Facilities | | | | | |
| Authorization Level | 16 | 1 | 1 | 1 | 0 |
| Estimated Outlays | 8 | 5 | 3 | 3 | 0 |
| EPA Research and Review | | | | | |
| Authorization Level | 15 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 10 | 4 | 1 | 0 | 0 |
| Total Proposed Changes | | | | | |
| Authorization Level | 231 | 1 | 1 | 1 | 0 |
| Estimated Outlays | 118 | 69 | 34 | 13 | 0 |

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1039 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. This bill would benefit state and local governments by authorizing \$216 million in 2003 for grants to conduct vulnerability assessments, implement security enhancements, provide technical assistance, and to improve self-assessment methodologies and tools. The recipients of grants for vulnerability assessments and security enhancements would be required to match federal funds, but such costs would be incurred voluntarily.

PREVIOUS COST ESTIMATE

On February 28, 2003, CBO transmitted a cost estimate for H.R. 866, the Wastewater Treatment Security Act of 2003, as ordered by the House Committee on Transportation and Infrastructure. CBO estimated that implementing H.R. 866 would cost about \$220 million over a five-year period. The two bills are similar, but S. 1039 would authorize additional funding for EPA to research and review the impact that intentional damages would have on wastewater treatment facilities.

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