



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 27, 1999

### **S. 1053**

#### **A bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999**

*As ordered reported by the Senate Committee on Environment and Public Works  
on September 29, 1999*

S. 1053 would permit highway and mass transit construction projects that have been halted by certain requirements of the Clean Air Act (CAA) to resume. CBO expects that allowing these projects to continue would not significantly affect federal spending. Generally, funds for highway and mass transit projects can be switched from halted to unaffected projects. That is not the case, however, for a small amount of the funds that have been specified for some individual projects. Since S. 1053 would allow a number of such specified projects to resume construction, enacting the bill could result in some money being spent sooner than it would be under current law, but we estimate that any shift in the timing of outlays would be less than \$500,000 a year.

The CAA requires the Department of Transportation (DOT) to approve regional transportation plans and programs in certain areas to assure that they conform with air quality standards contained in states' implementation plans. If an area transportation plan does not conform with the implementation plan—known as a conformity lapse—then certain federally funded projects cannot proceed. In implementing this provision of the CAA, the Environmental Protection Agency (EPA) issued a rule with a provision allowing DOT to fund projects under certain circumstances during a conformity lapse. A March 1999 court decision, however, overturned this provision of the rule. S. 1053 would effectively reinstate this provision of the rule for one year and would direct the EPA to issue a new rule allowing transportation projects to proceed under certain conditions during a conformity lapse.

If enacted this fall, S. 1053 would accelerate the spending of some funds already made available in the DOT appropriation act for fiscal year 2000 (Public Law 106-69), because work on a few projects is currently halted. Because that change would not be subject to further appropriation action, it would constitute a change in direct spending, and thus, pay-as-you-go procedures would apply to the bill. Based on information from DOT and from state departments of transportation, CBO estimates that relatively few projects would

be affected. We estimate that enactment of the bill would increase spending in 2000 by less than \$500,000, and that this would be offset by an equivalent reduction in outlays over the next few years.

S. 1053 also would direct EPA to issue new CAA regulations as described in this bill. Based on information from the agency, we estimate that implementing this provision would cost less than \$250,000 and would be subject to the availability of appropriated funds.

S. 1053 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. It would make it easier for state and local governments to continue construction on transportation projects that might otherwise be halted because of certain CAA requirements.

The CBO staff contacts are James O'Keeffe (for federal costs), and Lisa Cash Driskill (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.