



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 15, 2004

S. 1784

Methamphetamine Blister Pack Loophole Elimination Act of 2003

As reported by the Senate Committee on the Judiciary on October 4, 2004

Current law places no limit on the amount of products containing pseudoephedrine that may be purchased from retailers if the product is sold in packages known as blister packs. S. 1784 would limit retail sales of such products to 9 grams of pseudoephedrine in a single transaction. (This product can be used to make the illegal drug known as crystal meth.) Based on information from the Drug Enforcement Administration, CBO estimates that implementing the bill would have no significant effect on that agency's spending on enforcement activities. Enacting S. 1784 would not affect direct spending or revenues.

S. 1784 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

S. 1784 would impose a private-sector mandate as defined in UMRA on retail distributors of over-the-counter pharmaceuticals containing pseudoephedrine or phenylpropanolamine. Current law requires retailers to record and report to the Attorney General individual transactions that exceed the threshold of 9 grams for any over-the-counter products containing pseudoephedrine or phenylpropanolamine unless the products are packaged in blister packs. This bill would expand the regulation to apply also to products packaged in blister packs.

If this bill were enacted, retailers would have to retrain employees to alert them to the new threshold and to implement new sales practices. According to industry sources, retailers would be likely to simply limit sales of blister packs to quantities below the 9-gram threshold and thus avoid maintaining records of large-quantity transactions as was largely the case when the previous regulation was implemented. Costs associated with employee training would not be large. Retailers might also reprogram cash register software to signal or block transactions exceeding the threshold although this would not be explicitly required.

Based on information from industry sources, CBO expects that the aggregate direct cost of the mandate in the bill would fall below the annual threshold established by UMRA for private-sector mandates (\$120 million in 2004, adjusted annually for inflation).

The CBO staff contact for this estimate is Mark Grabowicz (for federal costs) and Karen Raupp (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.