CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 30, 2009

H.R. 2190
Mercury Pollution Reduction Act

As ordered reported by the House Committee on Energy and Commerce on October 21, 2009

H.R. 2190 would prohibit the manufacture of chlorine or caustic soda using mercury in the United States. Manufacturers would have until June 30, 2012, to notify the Environmental Protection Agency (EPA) whether they intend to replace their manufacturing processes with mercury-free processes or cease manufacturing. This legislation also would prohibit the export from the United States of any mixtures containing mercury, effective immediately upon enactment.

Because only a few facilities in the United States currently use manufacturing processes involving mercury, CBO estimates that enacting this bill would not impose any significant costs on EPA. Any additional administrative or enforcement costs incurred would be subject to the availability of appropriations. Enacting this legislation would not affect direct spending or revenues.

H.R. 2190 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

By prohibiting the export or use of mercury by facilities that manufacture chlorine or caustic soda, H.R. 2190 would impose mandates as defined in UMRA. According to information from EPA, four facilities in the United States use mercury for those purposes. The bill would require those facilities to cease operations by June 30, 2013, or convert to a manufacturing process that does not use mercury by June 30, 2015. Based on information from the U.S. Geological Survey Yearbook and because only a small number of facilities would be affected, CBO estimates that the cost of prohibiting exports would be minimal. Using information from EPA and industry sources, CBO estimates that, whichever method the facilities use to comply with the prohibition on using mercury in the manufacturing process, the direct cost of the mandates would be substantial. However, CBO estimates that the costs probably would fall below the annual threshold established in UMRA ($139 million in 2009, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs) and Sam Wice (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.