

CBO's Estimate of the Statutory Pay-As-You-Go Effects of the Rules Committee Print of H.R. 2467, PFAS Action Act of 2021, as amended by the Pallone Amendment #7, as posted on the website of the House Committee on Rules on July, 16, 2021

	By Fiscal Year, Millions of Dollars											2021- 2026	2021- 2031	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
	Net Increase in the Deficit													
Pay-As-You-Go Effect	0	0	0	0	40	40	40	40	40	40	40	40	80	280

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 that are subject to those procedures are shown here.

H.R. 2467 would require the Environmental Protection Agency (EPA) to designate certain per- and polyfluoroalkyl substances (PFAS) as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) within one year of enactment and to consider designating other PFAS substances within five years.

Under CERCLA, the federal government is liable for remediating hazardous substances that it released on properties it formerly owned. Designating certain PFAS as hazardous substances under CERCLA would significantly increase that liability. CBO expects that the Department of Defense would cover some of the cost of that liability by using funds from the Base Realignment and Closure accounts. Under CBO's baseline projections, about \$280 million is available in those accounts that would not otherwise be spent over the 2021-2031 period. On that basis, CBO estimates that enacting the bill would increase direct spending by at least \$280 million over that period.

Direct spending costs under the bill could be much higher because enacting H.R. 2467 would increase the federal government's obligation to remediate hazardous substances on properties that have already been transferred. Because that legal requirement would be imposed in advance of appropriations to pay for the cost of that remediation, any costs to the federal government would be classified as direct spending. However, CBO cannot estimate the total budget authority required to cover the federal government's costs that would be imposed by H.R. 2467 because the extent of the contamination by those substances on land previously owned by the federal government is not known.

By designating certain PFAS as hazardous substances under CERCLA, and by requiring EPA to promulgate new regulations under the Toxic Substances Control Act, the Safe Drinking Water Act, the Clean Air Act, the Solid Waste Disposal Act, and the Federal Water Pollution Control Act, H.R. 2467, would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would require public and private entities that use, process, manufacture, or import PFAS to comply with new rules that EPA would promulgate, including testing, cleaning up contaminated sites, and limitations for waste discharge. The bill also would require all water systems, both public and private, to test, monitor, and treat for PFAS and to properly dispose of waste streams generated after treatment. CBO estimates that the aggregate cost of the intergovernmental and private-sector mandates would exceed the thresholds established in UMRA (\$85 million and \$170 million, respectively in 2021, adjusted annually for inflation). The bill would authorize grants to states and community water systems totaling \$1.5 billion over the fiscal years 2022-2026 to cover capital costs associated with implementing some of the bill's requirements.

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