Congressional Budget Office
Cost Estimate

Revised November 13, 2020

Controlled Substances Act Legislation

As ordered reported by the House Committee on Energy and Commerce on September 9, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	0	0	not estimated

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
		Contains intergovernmental mandate?	No
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains private-sector mandate?	Yes, Cannot Determine Costs

* = between zero and $500,000.

On September 9, 2020, the House Committee on Energy and Commerce ordered reported the following pieces of legislation that would make changes to the Drug Enforcement Administration's (DEA) Diversion Control Program:

- H.R. 3878, the Block, Report, and Suspend Suspicious Shipments Act of 2019, would require registrants who manufacture, distribute, or dispense controlled substances to take additional steps in reporting suspicious orders, including maintaining a record of due diligence, declining to fill the order, and notifying DEA.

- H.R. 4806, the DEBAR Act of 2019, would allow the Attorney General to issue an order prohibiting applicants from registering as a manufacturer, distributor, or dispenser of controlled substances if they meet certain criteria.

- H.R. 4812, the Ensuring Compliance Against Drug Diversion Act of 2019, would terminate authority to manufacture, distribute, or dispense controlled substances when a registrant dies, ceases legal existence, or discontinues business.

The Diversion Control Program is funded by registration fees, which are treated in the budget as reductions in direct spending; DEA is authorized to spend those fees without further appropriation. Each bill would either codify existing regulations or clarify procedures already in place. On that basis, and using information from the agency, CBO estimates that under the bill the increase in spending of those fees above current levels would not be significant.

H.R. 3878 would impose a private-sector mandate on manufacturers, distributors, and dispensers of controlled substances by expanding reporting requirements and prohibiting them from fulfilling unresolved suspicious orders. CBO is uncertain how DEA would implement the new requirements and cannot evaluate the potential costs for the mandated entities to comply. In 2019, DEA received reports of 370,000 suspicious orders; however, CBO cannot predict the number of orders that would be precluded by the bill or the value of such orders. CBO cannot estimate the potential foregone revenue and therefore cannot determine whether the aggregate cost of the mandates would exceed the annual threshold established in UMRA for private-sector mandates ($168 million in 2020, adjusted annually for inflation).

H.R. 4806 and H.R. 4812 do not contain private-sector mandates as defined in UMRA.

None of the bills contain intergovernmental mandates as defined in UMRA.

This revised estimate reflects the committee that ordered the bills reported on September 9, 2020. The underlying estimates and analysis have not changed from the previous version.

The CBO staff contacts for this estimate are Lindsay Wylie (for federal costs) and Lilia Ledezma (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.