

POLICY MEMO

The EU's December 2025 Changes to CS3D: Quantifying Costs to US Industry

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1. Introduction and Executive Summary

Most Americans have never heard of the Corporate Sustainability Due Diligence Directive (CS3D or CSDDD), let alone grasped the enormous threat that it poses to the American economy. The CS3D is a new European Union (EU) regulation that mandates detailed reporting from companies on their environmental and human rights impacts. The directive requires companies to report on their operations not only within the EU but globally—up their supply chains and down their distribution chains, including in the United States.

In December 2025 the EU modified the CS3D. According to the EU Parliament, the change “delivers historic cost reductions.”¹ The EU did not, however, provide any data on how this modification to the CS3D would affect global or US industry. This study seeks to provide the first-ever quantification of the costs of the latest version of the CS3D to US industry. This study finds that the recent changes to the CS3D still result in substantial costs to US companies

and the American economy and will only reduce measurable initial compliance costs to US companies by between 27 and 35 percent, leading to measurable initial compliance costs of between \$637 billion and \$1.093 trillion. These costs on American firms are comparable to the combined regulatory costs of all existing American environmental and financial regulations.²

The costs of future regulations that have not yet been fully implemented are difficult to predict. Initial estimates necessarily focus on direct costs of compliance but do not fully capture the costs of changes in corporate behavior and reduced productivity. Nor do initial estimates measure the losses consumers bear in the forms of higher costs and fewer choices.

Most conservative estimates below put the initial cost of compliance with the CS3D at more than \$600 billion with annual recurring costs of several billion dollars. Other estimated costs are much greater with initial costs of



compliance at over \$1 trillion and annual recurring costs in the hundreds of billions of dollars. These cost estimates, and those presented throughout the report, are approximate nominal costs without adjustments for inflation.³

Crucially, these costs do not happen in a vacuum; indeed, the EU and the United States share the largest and most complex trade relationship in the world. The massive cost will create considerable ripple effects for the American consumer, including higher prices, lower quality of products and services, and a reduced range of available products and services.⁴ American workers will also bear the costs of the CS3D. Hundreds of thousands of American jobs and many billions of dollars of payroll are at risk. The potential losses from the CS3D are not limited to one or to a handful of US states: every state is vulnerable to these EU regulations. So too are small businesses. For many, the regulations could pose an existential threat.

History

The CS3D is not the first EU corporate environmental and social reporting regulation. It replaces the Non-Financial Reporting Directive (NFRD), which member states adopted in 2016.

NFRD mandated that 11,700 large “public interest entities” report regularly on the social and environmental risks and impacts of their business models.⁵ But the legislative superstructure that led up to the CS3D goes back to at least 2006, when the EU adopted Directive 2006/43/EC.⁶

Directive 2006/43/EC sets up a framework for auditing in the EU, with a clear goal of ensuring that the auditors of all EU companies, whether in Malta or France, are held to the same rigorous standard. Seven years later, 2013/34/EU prescribed the content (and layout) of yearly financial reports that companies must prepare for these auditors, again with the goal of a homogenized EU financial reporting landscape.⁷

This directive, over the next 10 years, became the legislative foundation for increased corporate reporting demands. Amendments in 2014 created the above-mentioned NFRD, and 2022 brought 2022/2464, the Corporate Sustainability Reporting Directive (CSRD). The CSRD expands the number of companies that need to provide nonfinancial reporting, specifies the details of what this reporting consists of, requires third-party auditing for this nonfinancial reporting, and defines punishments for companies that fail to comply.⁸ In 2024 came the CS3D, a separate directive that requires covered companies to plan and report in detail how they will meet certain environmental and human rights goals and to engage in “due diligence” with “stakeholders.”⁹ The CS3D also expands corporate liability and damages for noncompliance.

In parallel to these directives targeted at corporate reporting and compliance, the EU released a series of environmental roadmaps to provide targets for companies. The 2018 Sustainable Finance Action Plan and the 2019 European Green Deal are the most prominent of these in the last decade.¹⁰ The latest iteration is the EU Climate Law, provisionally agreed upon in December 2025, which sets 2040 as a goal for reducing 90 percent of greenhouse gas emissions compared to 1990 levels and targets a net negative carbon footprint for post-2050.¹¹ In the context of the CSRD and CS3D, tens of thousands of companies need to create extensive reports and will be subject to yearly third-party audits on the impact of their operations and those in their “value chain.” Through this process, firms must show that they are orienting their operations toward the political goals dictated by the latest EU climate laws.

I have previously prepared reports on the costs to American businesses of the CSRD and CS3D.¹² Since then, the Council of Europe and the European Parliament accepted amendments to the CS3D in the Omnibus I package in December 2025.¹³ The analysis below incorporates the changes proposed in the December 2025 amendments,



particularly in terms of which firms the EU will require to report. The CS3D imposes substantial costs on businesses operating in the EU. But much of the cost of the directives will fall outside of the EU, and particularly in the United States.

Most of, if not all, the costs documented in this report are direct costs to American businesses. This analysis does not measure the substantial loss in consumer welfare, both in the United States and abroad, caused by higher prices, lower quality of products and services, and a reduced range of available products and services.

Summary of costs

Exhibit 1.1 summarizes the results of the report, presenting the minimum and maximum range of both fixed and recurring costs to American firms from the CS3D. Measurable one-time costs of implementation of supply chain compliance for the CS3D range from \$637 billion to more than \$1 trillion.

Directly measurable annual recurring costs of implementation for the CS3D range from \$57 million to \$8 billion. If the implicit costs of change in conduct are included, the recurring annual costs range from \$6 billion to \$453 billion. These costs are large but less than the expected costs of CS3D compliance before the December 2025 amendments.¹⁴ The amendments reduced the estimated one-time setup costs by between 27 and 35 percent.

The CS3D will also impose costs on American workers. Hundreds of thousands of Americans could lose their jobs, encompassing many billions of dollars of payroll.

The potential losses from the CS3D are not limited to one or a handful of states. Every state is vulnerable to these EU regulations. So too are small businesses. Complying with new regulations such as the CS3D will likely be much more difficult for small businesses than for large corporations.

The CS3D's qualitative costs to American businesses and American consumers are far more harmful to the American economy than the measurable costs listed in Exhibit 1.1. These qualitative costs include (1) a decrease in consumer choice and higher prices, (2) the imposition of uninsurable risks on businesses, (3) changes in market conditions, (4) changes in corporate responsibilities and objectives, (5) changes in corporate control, (6) changes in corporate liability, (7) changes in relative regulation across different industries, and (8) the loss of American sovereignty over regulation.

Under the CS3D American corporations will lose substantial control over corporations to ubiquitous "stakeholders" and constant requirements for "due diligence" consultations. The costs of the loss of corporate control are unknown and unknowable.¹⁵ The American consumer will pay for much of this regulation in terms of higher prices, fewer choices, and less consumer sovereignty.

The costs of the CS3D alone to American firms can be measured in terms of orders of magnitude of trillions of dollars, as shown in exhibit 1.2. The estimated one-time setup costs are at least in the hundreds of billions of dollars and potentially in the trillions of dollars. The estimated annual recurring costs range from billions to hundreds of billions of dollars. The net present value of those annual recurring costs at a 10 percent discount rate ranges from tens of billions of dollars to trillions of dollars. The magnitude of immeasurable costs, which could be more damaging than the measurable costs, is unknown.

The analysis below is organized as follows:

1. Many American firms will be subject to the CSRD;
2. The CSRD's quantifiable harm to American businesses is large;
3. Many American firms will be subject to the CS3D;

4. The CS3D's quantifiable harm to American businesses is large;
5. The CS3D will impose significant costs on US states; and
6. The qualitative costs of the CSRD and CS3D are substantial and likely overshadow the measurable costs.

2. Many American firms will be subject to the CSRD

The CSRD is already in effect. In 2025, it required so-called public interest companies in the EU with more than 500 employees were required to make sustainability reports for 2024.¹⁶ Other firms have phased-in reporting requirements over time, including non-EU firms in 2029 for the financial year 2028. One of the purposes of the December 2025 amendments is “to reduce the burden on undertakings from the CSRD.”¹⁷ One method of reducing the burden is to increase the threshold for reporting requirements to firms with more than €450 million in annual EU revenue.¹⁸ That provision will substantially reduce the number of firms that must report. But the CSRD's impact on the American economy will still be substantial.

The CSRD creates reporting and audit requirements for “reporting undertakings,” or companies above the revenue threshold for the directive's reporting requirement. To complete these reporting requirements, companies ideally would rely on information provided by a large number of firms in their value chain.¹⁹ Although the December 2025 amendments clarify that the reporting undertakings cannot insist on information from other firms in the value chain, these firms still must prepare reports based on estimates as if information from the firms in the value chain were available.²⁰

Many firms in the United States will be affected by the CSRD. I divide these into four categories:

- A.** American firms that exceed the €450 million revenue threshold in the EU;
- B.** International firms that exceed the €450 million revenue threshold in the EU and also operate in the United States;
- C.** American firms that will be part of the value chain of CSRD reporting firms and that will likely be asked for information related to the directive; and
- D.** American firms that may not be asked for information related to the CSRD but will be affected by higher prices and reduced competition in markets around the world.

A. American firms that exceed the €450 million threshold in the EU

The revenue threshold for CSRD compliance is €450 million. The EU in early 2025 estimated that approximately 900 non-EU companies would be covered by the CSRD at a €450 million threshold,²¹ no doubt several hundred of which would be US companies. Exact lists of affected American firms under either regulation are not available for several reasons, including the following:

- The deadlines for reporting by US firms have not occurred;
- Some of the detailed threshold requirements for reporting are still in flux; and
- Many of the affected companies under the CSRD are privately held companies that are not required to disclose in advance their coverage.

Although the number of covered firms with €450 million in annual revenue in the EU is finite and limited, the number of firms that may be indirectly affected by the CSRD is large.

To estimate the number of American firms that would be directly affected by the CSRD, this paper draws on three main sources. The Centre for Research on Multinational Corporations (SOMO) list and the S&P 500 provide good estimates of the number of firms that would be required to report under the CSRD and their and associated revenue. A third set, a collection of federal governmental data for five

vulnerable sectors in the CSRD value chain—agriculture, mining, manufacturing, information, and finance—provides estimates of the effects of the CSRD for both large reporting undertakings and for smaller companies with limited reporting obligations known as “protected undertakings.”

1. The SOMO list

SOMO has assembled a list of American companies that likely would be reporting undertakings under the CSRD in its CSDDD Datahub.²² Some of the analysis below uses that list as a reference. SOMO’s CSDDD Datahub identifies 315 firms that unambiguously qualified for CSRD requirements with at least €450 million in EU revenue.

This list includes 172 *Fortune* 500 firms, which had a combined global revenue of \$9.97 trillion in 2024.²³ These 172 firms would be covered by the new CSRD threshold of €450 million in revenue in the EU.

But these 172 firms are only a subset of the US firms known to be reporting undertakings under the CSRD. The revenue estimate of \$9.97 trillion is underestimated for at least two reasons. First, among the 315 American corporations in the SOMO database, Baron looked at the revenue of only the 172 *Fortune* 500 companies on the list. This analysis does not include the revenues of the other 143 firms, essentially assuming that those revenues are zero. Therefore, the below cost ranges substantially underestimate the revenue of all 315 American firms.

Even more telling is that many large American firms that almost certainly have European operations are not on the SOMO list. Electronic manufacturing companies NVIDIA, Broadcom, AMD, and Micron Technology are not listed. Some defense contractors such as Palantir, Boeing, Raytheon, and Lockheed Martin are not mentioned. Nor are healthcare manufacturing companies such as Abbott Laboratories, Thermo Fisher Scientific, Merck, and Intuitive Surgical. Nor are

some American technology companies such as Salesforce, AppLovin, Lam Research, Intuit, Amphenol, KLA Corporation, CrowdStrike Holdings, and Automatic Data Processing. Some American financial firms such as BlackRock are not listed. Other American firms such as Coca-Cola are listed, but not as American firms. Each of the companies mentioned above has a market capitalization of at least \$100 billion; NVIDIA alone has a market capitalization of more than \$4.5 trillion.

The list’s revenue measure of \$9.97 trillion therefore underestimates the CSRD’s effect on the global revenues of reporting undertakings operating in America. Another glaring reason for this is that the SOMO list excludes international firms affected by the CSRD that have major operations in the United States, another massive category of firms. These firms are discussed below.

2. The S&P 500

The S&P 500 is a standard measure of the largest US corporations. Many of these firms would have direct reporting requirements under the CSRD, likely as reporting undertakings. In addition, many of, if not all, large protected undertakings—major firms not directly covered by the CSRD—would be in the supply and distribution chains of reporting undertakings. These large entities would have substantial pressures not to abandon the EU and would consequently be induced to provide information under Directive 2013/34/EU and Commission Recommendation (EU) 2025/1710, the EU standard under which protected undertakings report.

In 2024 the S&P 500 corporations had global revenue of more than \$17 trillion.²⁴ The S&P 500 also underestimates the effect of the CSRD on business in America. The S&P 500 list does not include large international firms that must report under the CSRD with operations in the United States, nor does it include large privately held US companies or US companies waiting for S&P 500 listing, some of which would have CSRD obligations.

B. International firms that exceed the €450 million threshold in the EU with operations in the United States

Many large non-US corporations have substantial economic activity in the United States. For example, the vast majority of firms on the SOMO list, whether American or not, have operations in the United States. These include automotive companies such as Honda, Toyota, Nissan, Hyundai, Mercedes, BMW, and Volkswagen; energy companies such as Shell and BP; and industrial conglomerates such as Samsung and Mitsubishi. These and other large international corporations have substantial investments in the United States that are not reflected in either the SOMO list or the S&P 500. Because these firms fall under the global reach of the CSRD, their American operations would be affected accordingly.

C. American firms that will be part of the value chain of CSRD reporting firms and that will likely be asked for information related to the directive

Most American firms do not have €450 million in EU revenue and will not report directly under the CSRD. But many American firms may be asked under the CSRD for information due to their participation within the CSRD value chain.

1. Reporting requirements of reporting undertakings

Reporting undertakings are firms with €450 million in annual revenue in the EU that are required to report directly to the EU under the CSRD.²⁵ In contrast, protected undertakings are firms that have fewer than 1,000 employees but still may be in the value chain of a reporting undertaking.²⁶

2. Firms in the value chain are affected by CSRD reporting

The value chain, discussed for the first time in Directive 2013/34/EU (19a) and amended in 2022, is a broad term, encompassing a firm's upstream suppliers, direct operations, and downstream distribution channels. The 2022 directive states (emphasis added):

2013/34/EU should therefore specify that the sustainability information reported is to include forward-looking and retrospective information and both qualitative and quantitative information. Information should be based on conclusive scientific evidence where appropriate. Information should also be harmonized, comparable and based on uniform indicators where appropriate, while allowing for reporting that is specific to individual undertakings and does not endanger the commercial position of the undertaking. Reported sustainability information should also take into account short-, medium- and long-term time horizons and contain information about the undertaking's whole *value chain*, including its own operations, its products and services, its business relationships and its supply chain, as appropriate. Information about the undertaking's whole *value chain* would include information related to its *value chain* within the Union and information that covers third countries if the undertaking's *value chain* extends outside the Union. For the first three years of the application of the measures to be adopted by the Member States in accordance with this amending Directive, in the event that not all the necessary information regarding the *value chain* is available, the undertaking should explain the efforts made to obtain the information about its *value chain*, the reasons why that information could not be obtained, and the plans of the undertaking to obtain such information in the future.²⁷

In other words, a firm required to report to the EU (a reporting undertaking) may have hundreds or thousands of other firms in its value chain. Other firms in the value chain may also be reporting undertakings. But many more firms are likely to be protected undertakings that are not on their own required to report to the EU. Moreover, many of these protected undertakings are likely to operate outside the EU, particularly within the United States.



Directive 2013/34/EU, and article 19 in particular, places substantial reporting requirements on reporting undertakings. Article 19a(2)(f) of Directive 2013/34/EU states:

The information referred to in paragraph (1) of Article 19 shall contain a description of:

...

(iii) the principal actual or potential adverse impacts connected with the undertaking's own operations and with its *value chain*, including its products and services, its business relationships and its supply chain, actions taken to identify and monitor those impacts, and other adverse impacts which the undertaking is required to identify pursuant to other Union requirements on undertakings to conduct a due diligence process;²⁸

The December 2025 amendments do not ease this requirement. Each reporting undertaking is still required to report on “adverse impacts” and “business relationships” in its supply chain. The number of firms in the value chain likely varies substantially by firm but can easily contain hundreds or even thousands of other firms.

3. The CSRD gives protected undertakings very few options to avoid reporting

The December 2025 amendments to article 19a of 2013/34/EU state that the directive neither “imposes or implies any obligation on any undertaking in the value chain to provide sustainability information.”²⁹ But this statement is at odds with an earlier statement in the same document:

Protected undertakings have the right to decline to provide information exceeding the information specified in the voluntary standards in response to a request made for the purpose of sustainability reporting as required by this Directive.³⁰

The “voluntary standards” are referenced but not specified in the new article 29ca. Instead, article 29ca refers to Commission Recommendation (EU) 2025/1710 on the “voluntary sustainability reporting standard.”³¹ This is a 65-page document filled with detailed reporting requirements, likely more burdensome and intrusive than the CSRD reporting requirements under Directive 2013/34/EU. It is difficult to see how a reporting undertaking under Directive 2013/34/EU would find the reporting under the voluntary standards insufficient to meet the requirements of article 19 of Directive 2013/34/EU.

Neither the December 2025 amendments to article 19a of the Directive 2013/34/EU nor the prior article 19 language gives protected undertakings a reporting alternative short of the standards of voluntary reporting. Directive 2013/34/EU does not address a situation where one “protected firm” in the value chain—much less several thousand protected undertakings in the value chain—refuses to provide any information to the reporting undertaking.

The EU may have the authority to compel protected undertakings operating in the EU to provide certain information under Directive 2013/34/EU or Commission Recommendation (EU) 2025/1710. The EU has no authority, however, to compel businesses with no direct presence in the EU, including many American firms, to abide by these provisions.

Nevertheless, protected undertakings in the value chain that decline to report information may cause the EU, under the CSRD's provisions, to impose costs on reporting undertakings that otherwise seek to comply:

The undertaking shall explain the efforts made to obtain the necessary information about its value chain, the reasons why not all of the necessary information could be obtained, and its plans to obtain the necessary information in the future. After



that three-year transition period, the undertaking shall meet the reporting requirements for value chain information by using information directly obtained from undertakings in its value chain or estimates for that information as appropriate.³²

Non-EU protected undertakings, including American firms, will face an unpleasant choice:

1. At substantial expense, provide some or all of the requested information under Directive 2013/34/EU or Commission Recommendation (EU) 2025/1710; or
2. Provide little or no information, and risk:
 - a. Having reporting undertakings transfer business to firms more willing and able to comply with Directive 2013/34/EU or Commission Recommendation (EU) 2025/1710. Liability for failure to comply with the CSRD falls on the reporting undertakings, and those undertakings would reasonably take steps to reduce their costs of compliance and risk of penalties.
 - b. Losing some or all access to EU markets. The CSRD is a substantial barrier to EU markets, not just for large corporations that are or would be reporting undertakings, but also for small and midsize businesses that would be protected undertakings. For American firms of any size that are not already doing business in the EU, the CSRD creates a costly barrier to enter the EU market. For American firms of any size that are already doing business in the EU, the CSRD imposes additional costs to remain in the EU.

All these options impose substantial losses and costs on American firms, despite their classification as protected undertakings. These costs are outside the control of the US government. Simultaneously, the CSRD imposes significant costs on reporting undertakings, many of which are American firms as well.

Though exact counts are impossible, the next section explains various ways of estimating the number of American firms affected by the CSRD.

D. American firms that are not directly affected by the CSRD may still suffer due to higher prices and reduced competition in markets around the world

Some American firms may never be asked for information related to the CSRD. Some may not be part of a direct value chain for a reporting undertaking. Others may be part of value chains but may simply never be asked.

But as section 7 explains, the CSRD will have substantial but unquantifiable effects on markets around the world. American firms, both large and small, will be affected, mostly negatively, by those market effects.

E. Certain American industrial sectors are particularly vulnerable to the CSRD

Exhibit 2.1 presents a list of all American private businesses by industrial sector in 2023. Five sectors are the most vulnerable to the CSRD value chain concept: (1) agriculture and fisheries, (2) mining, (3) manufacturing, (4) information, and (5) finance.³³ In the United States in 2023, these sectors included more than 2.2 million firms, which in turn employed more than 24 million workers. The sectors, including American subsidiaries of EU companies, amassed revenues in excess of \$20 trillion just in the United States.

Some firms in exhibit 2.1 are vulnerable to the CSRD. Earlier papers by the author have estimated 50 percent of US firms are most at risk of harm by the CSRD. This report operates on the same assumption.

Revenues of these at-risk sectors total slightly more than \$10 trillion. The amount of revenue at risk would increase if the share of these sectors most vulnerable to the CSRD were to increase. The American industries most at risk include large

firms with EU operations (mainly reporting undertakings) and countless thousands of smaller firms (likely considered protected undertakings).

Exhibit 2.2 summarizes the revenues of these three measures of American firms possibly affected by the CSRD. For the SOMO list and S&P 500, the revenues reflect those of large firms that are likely reporting undertakings as well as large protected undertakings. The figures for American industrial sectors most at risk include firms of all sizes.

3. The CSRD's quantifiable harm to American businesses is large

The CSRD will affect many firms in the United States. These costs fit into two categories: quantifiable costs, which this section addresses, and unquantifiable costs, which are addressed in section 7. The quantifiable costs of the CSRD fit into two categories: one-time costs of preparing for compliance and recurring annual costs of continued compliance.

A. One-time costs of preparing for CSRD compliance

Most American firms, unlike European firms, are not focused on coming into compliance with the reporting requirements for the CSRD. Some estimates of the costs of setting up a reporting system for the CSRD are available. The European Financial Reporting Advisory Group (EFRAG)—consultants retained by the EU—estimated in 2022 that setting up the reporting system would cost between 0.007 and 0.014 percent of corporate revenue.³⁴ Ecobio estimates that CSRD setup would cost between 0.5 and 1 percent of revenue.³⁵

Exhibit 3.1 applies the percentage factors from EFRAG and Ecobio to the three different measures of affected American businesses in exhibit 3.1. The estimated cost of setting up CSRD reporting ranges from \$700 million (the low EFRAG

estimate of 0.007 percent of revenue applied to the list of American companies that appear to be covered by the CS3D) to \$175 billion (the high Ecobio estimate of 1 percent of revenue applied to the S&P 500).

B. Annual recurring costs of CSRD compliance

1. Recurring costs of reporting compliance

Once a firm has set up its reporting system to comply with the CSRD, it will incur annual recurring costs to continue reporting. EFRAG estimates that these annual recurring costs are between 0.008 and 0.015 percent of revenue. Karl Burkhardt estimates these annual costs at 0.066 percent of revenue.³⁶ Exhibit 3.2 displays the estimated range of annual recurring costs for CSRD reporting. EFRAG estimates range from the low rate of \$800 million annually for American firms on the SOMO list to the high rate of \$2.62 billion annually for the firms on the S&P 500 list. The Burkhardt estimates range from \$6.58 billion annually for American firms on the SOMO list to \$11.54 billion annually for firms on the S&P 500 list.

The Burkhardt estimates of annual recurring costs for the CSRD and CS3D are both based on costs for reporting requirements for the European Sustainability Reporting Standards (ESRS).³⁷ To avoid double counting of these costs later in the report, I have separated the overlapping costs as presented in exhibit 3.2. The annual recurring costs for the CS3D based on the Burkhardt estimates are presented later in this report in exhibit 5.2. Subtracting those estimates from the \$6.73 billion total estimate for CSRD annual compliance yields the last row of exhibit 5.2.

2. Recurring costs of auditing compliance

The CSRD has substantial auditing requirements. EFRAG estimated auditing costs just for the CSRD under two scenarios: a “limited assurance” condition and a “reasonable assurance” condition.

Limited assurance “implies a reduction in assurance engagement risk to a level that is acceptable in the

circumstances of the engagement.”³⁸ Reasonable assurance is a higher level of assurance that will be applied later at more than twice the cost of limited assurance.³⁹ The December 2025 amendments indicate that the CSRD will focus on limited assurance for the foreseeable future.⁴⁰

Exhibit 3.3 presents estimates of annual assurance costs for US firms for limited assurance under the CSRD. The annual limited assurance cost ranges from \$40 million (the low EFRAG cost rate is applied to just the American companies on the SOMO list) to \$4.55 billion (the EFRAG high-cost rate applied to the S&P 500). The Burkhart estimates range from \$3.29 billion annually for American firms on the SOMO list to \$5.77 billion annually for firms on the S&P 500 list.

Exhibit 3.4 presents low and high cases for the total recurring costs of reporting and audits for the CSRD based on exhibits 3.2 and 3.3 in both a limited assurance and a reasonable assurance scenario. The lowest EFRAG cost estimate is \$840 million annually for limited assurance for the American firms in the SOMO list under the low EFRAG assumptions. The highest EFRAG cost estimate is \$7.17 billion annually for the S&P 500 under the high EFRAG assumptions. The total Burkhart cost estimates range from \$9.87 billion annually for American firms on the SOMO list to \$17.32 billion annually for firms in the S&P 500 list. Excluding the CS3D’s overlap, the Burkhart cost estimates range from \$4.08 billion for American firms on the SOMO list to \$9.31 billion annually for firms in the S&P 500 list.

C. Total measurable costs of the CSRD

Exhibit 3.5 presents the range of estimates of the measurable costs of the CSRD for the three categories of industry revenue: the 50 percent of industry most at risk, the SOMO list, and the S&P 500. Both initial one-time costs and recurring costs are included. Estimates of one-time setup costs range from approximately \$1 billion to more than \$100 billion, a substantial range. Estimates of annual recurring costs range from approximately \$1 billion to nearly \$10 billion. It appears

that one-time setup costs for the CSRD could be as much as 10 times greater than annual recurring costs. The exhibit also shows the net present value of the annual recurring costs at a 10 percent discount rate, and the resulting value is comparable to that of the one-time setup costs.⁴¹

4. Many American firms will be subject to the CS3D

Following 99 paragraphs of policy statements, including more than a dozen references to the United Nations, the CS3D authorizes EU regulations related to human rights and the environment with few if any tangible limits.⁴² Other than small measurements of the costs of reporting and audit requirements,⁴³ the EU does not appear to have conducted a comprehensive measurement of the costs of the directives.

Whereas the CSRD imposes costly reporting and auditing obligations on firms, the CS3D imposes substantial responsibilities on firms to identify and reduce environmental harms and requires corporate leaders to cede control of their firms to third parties for the sake of due diligence or negotiations with various so-called stakeholders on a wide range of topics. As article 1 states:

1. This Directive lays down rules on:

(a) obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the operations carried out by their business partners in the chains of activities of those companies;

(b) liability for violations of the obligations as referred to in point (a);⁴⁴

Articles 5–7 and 13 describe due diligence. Articles 8–12 and 22 address corporations’ responsibility to identify, assess, and eliminate potential environmental and human rights risks. Articles 14 and 15 describe complaint procedures against companies and monitoring obligations under the CS3D.

The CS3D repeatedly refers to a “chain of activities,” which the directive defines as:

(i) activities of a company’s upstream business partners related to the production of goods or the provision of services by that company, including the design, extraction, sourcing, manufacture, transport, storage and supply of raw materials, products or parts of products and the development of the product or the service; and

(ii) activities of a company’s downstream business partners related to the distribution, transport and storage of a product of that company, where the business partners carry out those activities for the company or on behalf of the company, and excluding the distribution, transport and storage of a product that is subject to export controls under Regulation (EU) 2021/821 or to the export controls relating to weapons, munitions or war materials, once the export of the product is authorized.⁴⁵

The CS3D has reporting, due diligence, auditing, and compliance requirements, separate from those of the CSRD, which require far more than disclosure. It requires covered companies to identify and address actual and potential adverse human rights and environmental effects within their own operations, their subsidiaries, and their so-called chains of activities. Chains of activities include a business’s own activities, those of its subsidiaries, and those of business partners in upstream and downstream chains of activities. CS3D duties are backed not only by the threat of revenue-

related fines but also by civil liability for intentional or negligent breaches of CS3D obligations.

With the December 2025 amendments the EU sought to reduce the burden on reporting undertakings.⁴⁶ The amendments raise the CS3D’s reporting threshold for non-EU firms that operate in the EU from €450 million to €1.5 billion in annual revenue.⁴⁷ Notably the original CS3D threshold of €450 million is the current CSRD threshold.

Many firms in the United States will be affected by the CS3D. These fall into four categories:

- American firms that exceed the €1.5 billion threshold in the EU;
- International firms that exceed the €1.5 billion threshold in the EU with operations in the United States as well;
- American firms that will be part of the value chains of CSRD reporting firms and that will likely be asked for information related to the CSRD; and
- American firms that may not be asked for information related to the CSRD but will be affected by higher prices and reduced competition in markets around the world.

A. American firms that exceed the €1.5 billion threshold in the EU

The number of American firms affected by the CS3D will be fewer than for the CSRD. But the costs for each of the affected firms will likely be much higher under the CS3D. One of the motivations for the December 2025 amendments was to reduce the number of firms required to report directly to the EU. At least one report identifies the objective as reducing the number of reporting firms by 70 percent.⁴⁸ Reducing the number of reporting firms by 70 percent, or a similar percentage amount, does not lead to a 70 percent reduction in revenue of reporting firms. That is because the firms with the greatest revenue are still required to report under and comply with the CS3D.

1. The SOMO list

As noted above, the CSDDD Datahub, maintained by SOMO, includes 172 firms from the *Fortune* 500 list that unambiguously qualified for CSRD reporting with at least €450 million revenue in the EU. These 172 firms had a combined global revenue of \$9.97 trillion in 2024. To translate the SOMO list into the new CS3D threshold of €1.5 billion, I first examine the revenue of Howmet Aerospace, the smallest of the 172 American firms that qualify under the SOMO and *Fortune* 500 lists. Howmet's global revenue in 2024 was \$7.43 billion. The ratio of €1.5 billion to €450 million is 3.33. If one multiplies \$7.43 billion by 3.33 one obtains \$24.77 billion. At that threshold, 87 firms would qualify for the new CS3D threshold, with a combined global revenue of \$8.77 trillion, or 88 percent of \$9.97 trillion.

The result is robust compared to the selection of other firms in the SOMO list; firms ranked 165 through 172 all have global revenues between \$7.4 billion and \$8.0 billion. Moreover, as discussed above, 143 American firms on the SOMO list have revenues of less than \$7.4 billion and do not appear on the *Fortune* 500 list. If one multiplied the smallest revenue by 3.33, one would obtain a smaller threshold than \$24.77 billion, and the resulting ratio of CS3D-covered firms to the list of 172 firms would be *greater* than 88 percent.

2. The S&P 150 list

As noted above, some estimate that the December 2025 amendments were intended to reduce the number of directly reporting firms by 70 percent. If the 500 companies on the S&P 500 need to report directly under the CSRD, only 150 firms should need to report after the 70 percent reduction factor. To measure that effect, I compiled a list of revenues for the 150 largest companies on the S&P 500 index by market cap. I find that the 150 largest corporations had a combined revenue of \$12.539 trillion,⁴⁹ or 69 percent of the S&P 500 revenue. Thus, reducing the number of reporting American corporations by 70 percent under CS3D results in only a 31 percent reduction in revenue. The S&P 150 list excludes large non-American companies.

Exhibit 4.1 replicates for the CS3D the three sets of firms in exhibit 2.2: the American industries most at risk, the SOMO list, and the S&P 150. The paragraph above describes the estimate of the revenues of firms directly reporting under the CS3D. To estimate the revenues of the vulnerable American industry sectors, I estimate a low value based on the 69 percent from the ratio of S&P 150 to S&P 500 index and then multiplied by the industry sector revenue in exhibit 2.2. The high value is based on the 88 percent ratio of American firms on the SOMO list that will be required to comply with the CS3D.

As exhibit 4.1 shows, the total revenue of American firms directly responsible for reporting under the CS3D ranges from a low estimate of \$7.1 trillion to a high estimate of \$12.1 trillion.

B. International firms that exceed the €1.5 billion CS3D threshold in the EU with operations in the United States

Many large non-US corporations have substantial economic activity in the United States. The vast majority of the firms on the SOMO list, for example, have operations in the United States, whether American or not. This includes automotive companies such as Honda, Toyota, Nissan, Hyundai, Mercedes, BMW, and Volkswagen; energy companies such as Shell and BP; and industrial conglomerates such as Samsung and Mitsubishi. These and other large international corporations have substantial investments in the United States that are not counted as American firms under either the SOMO list or the S&P 500 list but that would fall under the global reach of the CS3D and whose American operations would be affected accordingly.

C. American firms that will be part of the chain of activities of CS3D reporting firms and that will likely be asked for information related to the directive

Most American firms do not have €1.5 billion in revenue in the EU and will not report directly under the amended CS3D. But many American firms may be asked for information under the CS3D's definition of the chain of activities.

D. American firms that may not be asked for information related to the CS3D but will be affected by higher prices and reduced competition in markets around the world

Some American firms may never be asked for information related to the CS3D. Some may not be part of a direct chain of activities for a reporting undertaking. Others may be part of a chain of activities but may simply never be asked.

But as I explain in more detail in section 7, the CS3D will have substantial but unquantifiable effects on markets around the world. American firms, both large and small, will be affected, mostly negatively, by those market disruptions.

E. American firms will be less likely to enter EU markets

The CS3D will limit the range of business activities for many firms, including many American firms.⁵⁰ The overall effect of the regulations will be to increase the cost of production and economic activity in the EU and elsewhere. Those costs and those limitations on economic activity will be felt not only in the EU but also in other countries including the United States in the form of higher cost of living and lower economic opportunities.

5. The CS3D's quantifiable harm to American businesses is large

In response to Senate questions for the record prior to his confirmation, Commerce Secretary Howard Lutnick stated that “the CS3D imposes a significant burden on American corporations. I will consider using all available trade tools at the department’s disposal, as appropriate, to respond to any actions by foreign governments, including the EU, that harm the American economy and impose unreasonable burdens on our companies.”⁵¹ Other countries likely have a similar view of the EU imposing substantial costs on their citizens through the CS3D. If all countries, including the United States, resort to

trade tools such as tariffs, the result would be a global trade war with substantial harm to American consumers.

Many firms in the United States will have new costs as a result of the CS3D. These costs fall into two categories: quantifiable costs, which this section addresses, and unquantifiable costs, which are addressed in section 7. The quantifiable costs of the CS3D fall into two categories: one-time costs of preparing for compliance and annual recurring costs.

A. One-time costs of preparing for compliance with the CS3D

The executive vice president of the European Commission offered an extremely low estimate of €220 million for the combined one-time costs for all EU firms to come into compliance with the CS3D and €1.7 billion in one-time costs for EU firms to come into compliance with the related ESRS.⁵² CS3D reporting relies on ESRS.⁵³

Fewer American firms than EU firms must comply with either the CS3D or ESRS, and consequently one might assume that one-time costs for American firms would be less than for EU firms. On the other hand, American firms, unlike European firms, are not focused on coming into compliance with the reporting requirements for the CS3D or ESRS. Consequently, an approximation based on EU information of the one-time costs of American firms coming into compliance with the CS3D is €220 million plus €1.7 billion, or €1.92 billion (\$2.26 billion).⁵⁴ The European Commission estimate is substantially less than other estimates.

The CS3D's requirements are substantial, not only for the reporting corporations but also for their supply chains, which will require substantial changes to come into regulatory compliance. The law firm DWF surveyed 1,200 C-suite executives in EU countries in 2024.⁵⁵ Among the questions asked was the cost to bring their company's supply chain into regulatory compliance. DWF found, “On average, C-suite

leaders estimate that 9 percent of their revenue will be required to achieve a fully CS3D compliant value chain in the next two years.”⁵⁶

Exhibit 5.1 presents these estimates of one-time costs to come into compliance with the CS3D. This paper’s estimate applies the DWF factor to the various measures of revenue for American firms covered directly by the CS3D, with one-time cost estimates ranging from \$637 billion to \$1.093 trillion. Outside estimates are substantially greater than the \$2.26 billion estimate based on the European Commission information.

To put these costs estimates in some context, one estimate of the annual costs of *all* US federal regulations was \$3.079 trillion in 2022.⁵⁷ Even omitting all other costs of the CS3D, the cost to bring supply chains into compliance with the directive would, on an annual basis, account for a large portion of total regulatory costs for American firms.

B. The measurable recurring costs of the CS3D

The CS3D will create substantial ongoing costs both for covered firms and for firms that are part of the chains of activities for covered firms. The CS3D institutes substantial reporting requirements for covered companies, both on an annual basis and regarding ongoing due diligence and new contracts.

Although the CS3D requires no new formal audit procedures, it creates substantial new monitoring requirements for covered companies.⁵⁸

The executive vice president of the European Commission offered a small estimate of €760 million for the recurring costs of all EU firms for the CS3D and €1.7 billion in recurring costs for EU firms related to ESRS.⁵⁹ CS3D reporting relies on ESRS.⁶⁰ As with the one-time costs discussed above, more EU firms will encounter recurring costs, but fewer American

firms are prepared for them. Consequently, an approximation for the recurring cost of the CS3D for American firms based on the recurring costs of the CS3D for EU firms is €760 million plus €1.7 billion, or €2.46 billion (\$2.90 billion).⁶¹

Another method to estimate the recurring costs of the CS3D is based on the recurring reporting costs of the CSRD. The recurring costs of the CS3D and CSRD are derived partly from the costs of complying with ESRS.⁶² The reporting costs of the CS3D should be at least as large as those for the CSRD and will likely be substantially larger. Exhibit 3.2 presents estimates of the annual reporting costs of the CSRD, which range from \$820 million to \$11.54 billion. Exhibit 5.2 presents estimates of the total annual recurring costs of the CS3D, which range from \$570 million to \$8.02 billion. The European Commission estimate of annual recurring costs, \$2.90 billion, falls in that range.

C. Estimating the costs of changing conduct under the CS3D

Annual reporting costs are usually just a small part of the total annual costs of regulation. But the CS3D requires due diligence, the drafting of plans to reduce harms to the environment and human rights, and penalties for failure to meet targets. There are also additional costs of changing corporate conduct, some of which are measurable and some of which are not. Measurable change-of-conduct costs include pollution abatement and other direct costs, besides reporting, to comply with regulations.

Several studies measure the ratio of administrative costs to abatement and compliance costs. A study by Joshi, Krishnan, and Lave finds that every dollar of visible spending on regulation reflects \$10 of spending in less visible accounts. Exhibit 5.3 applies this ratio to the recurring costs for the CS3D in exhibit 5.2 to estimate annual costs of change in conduct.⁶³ Estimates range from \$5.67 billion (the low estimate for limited assurance applied to the low estimate of the 50

percent of industry most at risk) to \$80.18 billion (Burkhart's estimates applied to the revenue of the S&P 150).

Pizer and Kopp examine various cost categories for pollution abatement.⁶⁴ The average ratio of administrative costs to pollution abatement by businesses and consumers ranged from 4.9 to 5.7 percent over three years, and averaged 5.3 percent. Applying that ratio to exhibit 5.2, exhibit 5.4 estimates the annual costs of change in conduct from Pizer and Kopp. Estimates range from \$10.7 billion (the low-cost estimate for limited assurance applied to the low estimate of the 50 percent of industry most at risk) to \$151.28 billion (the Burkhart factor applied to the revenue of the S&P 150).

In yet another study, Christine Volgan, using data from the Bureau of Economic Analysis, finds that administrative costs account for 1.8 percent of pollution abatement control costs.⁶⁵ With that ratio, exhibit 5.5 presents estimates of annual costs of change in conduct. Estimates range from \$31.5 billion (the low cost estimate for limited assurance applied to the low estimate of the 50 percent of industry most at risk) to \$445.43 billion (the Burkhart factor applied to the revenue of the S&P 150).

These results, based on the costs to business in the five sectors—agriculture, mining, manufacturing, information, and finance—are consistent with economic studies on costs of environmental regulation for just the manufacturing sector. Writing in 2012, Greenstone, List, and Syverson found that environmental regulations led to a 2.6 percent decline in total factor productivity and an annual \$21 billion cost (in 2010 dollars) to manufacturing plants, or 8.8 percent of manufacturing profits.⁶⁶ In 2025 dollars, those annual costs correspond to \$30.5 billion, consistent with the range of estimates for all five industrial sectors.⁶⁷

D. Total measurable costs of the CS3D

Exhibit 5.6 presents the range of estimates of the measurable costs of the CS3D for the three categories of industry revenue:

the 50 percent of US companies that are in at-risk industries, the SOMO list, and the S&P 500. Both initial one-time costs and recurring costs are included. Estimates of one-time setup costs range from approximately \$637 billion to more than \$1 trillion, a substantial range. Estimates of total annual recurring costs, in both directly measurable expenditures and implicit conduct changes, range from approximately \$6.25 billion to more than \$450 billion, also a substantial range. The exhibit also presents the net present value of the annual recurring costs at a 10 percent discount rate, and the resulting value is similar to that of the one-time setup costs.⁶⁸

6. Analysis of quantifiable costs of the CS3D by state

A. Costs of the CS3D by state

The American industries most at risk from the new EU regulations have revenues not only in Europe but also in every US state. This section reviews the possible effects of the CS3D for each state. Based on available information, this analysis projects state-level revenue in quarter 2 of 2025 for the five industry sectors: agriculture, mining, manufacturing, information, and finance.⁶⁹

The first five columns of exhibit 6.1 present the estimated 2025 revenue for agriculture, mining, manufacturing, information, and finance for each state and the District of Columbia. In most states, the manufacturing or finance sectors have the largest revenues. Exceptions are Alaska (mining), New Mexico (mining), North Dakota (mining), Washington (information), and Wyoming (mining).

The last two columns of exhibit 6.1 present the sum of revenues for the five industry sectors as well as 50 percent of that amount. Consistent with my previous report, I also present 50 percent of the industry revenue by state. The total revenue in the five sectors in quarter 2 of 2025 was \$21.754

trillion, and 50 percent of that amount, the revenues from the industries most affected by the CS3D, is \$10.877 trillion.

Not surprisingly, the state with the most industry revenue at risk is California, followed by Texas, New York, and Illinois. Each state has substantial revenue at risk of loss or reduction. As noted above, many businesses in other industry sectors are also at risk. The salient point is that the EU directives put a substantial amount of industry revenue in each state at risk. Because all subsequent state-level exhibits are derived from the last column of exhibit 6.1, the relative ranking of the costs in each exhibit is the same as in exhibit 6.1. Obviously, analyses based on other sectors or other assumptions could lead to different relative rankings.

Exhibit 6.2 presents the one-time setup costs as well as annual recurring costs for compliance with the CS3D based just on the 50 percent of American industries most affected by the CS3D. The total one-time setup costs for CS3D compliance range from \$637 billion to \$807 billion. The one-time setup costs are estimated to be between 5.863 and 7.419 percent of revenue. The direct annual recurring costs from compliance with the CS3D, including implicit costs, range from \$6.2 billion to \$334.9 billion. The annual recurring costs are estimated to range from 0.057 to 3.079 percent of revenue.

The cost estimates in exhibit 6.2 are nationwide costs, spread across each state and across all core industries. Exhibit 6.3 and subsequent exhibits assume that costs the CS3D imposes in each industry and each state can be estimated based on the same revenue shares as at the national level.⁷⁰ These detailed estimates by state and by industry are approximations. But the sum of the estimates across states should equal the total industry estimate.

Exhibit 6.3 presents the range of setup costs for the CS3D in each core industry and in each state based on the information

from exhibits 6.1 and 6.2. Total minimum setup costs exceed \$1 billion in all but two states. Setup costs in California exceed \$80 billion. Maximum setup costs exceed \$1 billion in each state and total more than \$100 billion in California.

Exhibit 6.4 presents the range of estimated direct and implicit recurring annual costs for the CS3D in each state based on the information from exhibits 6.1 and 6.2. Minimum estimates of annual direct and implicit recurring costs exceed \$10 million in all but one state. For all states and industries, the total minimum estimate of recurring costs is more than \$6.2 billion.

In 44 states plus the District of Columbia, estimated maximum annual recurring costs of CS3D compliance exceed \$1 billion. In seven states, the estimated maximum annual recurring costs exceed \$10 billion. In California alone, the maximum estimate of annual recurring costs exceeds \$42 billion. For all states and industries, the total maximum estimate of recurring costs is more than \$334 billion.

B. Employment and payroll put at risk by the CS3D on a state-by-state and industry-by-industry basis

The CS3D's costs to American businesses reported above are substantial, both on a one-time basis and on a recurring annual basis. These costs would likely translate into substantial risk of losses for employment and labor payroll as well.

The incremental costs of the CS3D presented in exhibit 6.2 were based on certain percentages of revenue. Costs to a business or to an industry do not translate directly into changes in employment or payroll. Some firms may pay for new regulations and still retain—or even expand—employment. Other firms, confronted with new regulations, may simply go out of business, eliminating all employment and payroll. Many of those workers may find employment at other firms, but presumably under less favorable terms than they would without the CS3D. If employees could have found better positions, they would have done so already. The exhibits

below make a simple assumption that the CS3D's employment effects on US firms in the five most at-risk sectors will be proportional to a change in costs.⁷¹

1. Employment at risk

Exhibit 6.5 presents the employment of each of the five sectors in each state as of 2022 based on Census Bureau data.⁷² Each sector has some employment in each geographic area, with the exception of mining, which is not present in the District of Columbia. Manufacturing is the largest employer among the five sectors in each state, with a few exceptions: Arizona (finance), Delaware (finance), the District of Columbia (finance), Florida (finance), Hawaii (finance), New York (finance), and Wyoming (mining). For the combination of the five sectors, presented in the last two columns of exhibit 6.5, California has the largest number of employees (more than 2.6 million), followed by Texas, New York, Ohio, and Illinois, each with more than one million employees.

Exhibit 6.6, based on exhibits 6.2 and 6.5, presents estimates of the minimum and maximum employment at risk by industry and by state associated with the one-time costs for firms to come into compliance with the CS3D, as discussed above. The nationwide range of employment at risk is estimated between 680,000 and 865,000 employees. This is a substantial risk for total employment, and possible losses (of approximately 0.4–0.6 percent) would be significant in a civilian labor force of approximately 170 million.⁷³ The greatest possible employment losses are in California, which are estimated between 78,000 and 98,000 employees. Each state is estimated to have employment at risk of at least 1,000.

Employment at risk and losses are not one-time events. Exhibit 6.7 estimates how the annual recurring costs of complying with the CS3D will put employment at continued risk. Nationwide, the number of employees at risk ranges between 6,700 and 359,000. The estimated minimum employment at risk from the recurring costs is small, but the maximum

estimates are substantial. The latter figure represents approximately 0.2 percent of the civilian labor force.

2. Payroll at risk

Exhibit 6.8 displays the estimated 2025 annual payroll for the five industrial sectors in each state. In most states, either the manufacturing or the finance sector has the largest payroll.

Exceptions are Alaska, North Dakota, and Wyoming (all mining). The state with the largest payroll is California, with an annual total of \$430 billion. Other states with payrolls in excess of \$100 billion are New York, Texas, and Illinois. The final column of exhibit 6.8 reflects 50 percent of the payroll for the core industries.

Exhibit 6.9 presents the expected 2025 payroll at risk based on the one-time costs of bringing firms into compliance with the CS3D. The estimates are based on the minimum and maximum revenue factors from exhibit 6.2 and the payroll values from exhibit 6.8. Total nationwide payroll at risk and potential losses would range from \$75 billion to \$95 billion. Even with the minimum setup costs, 22 states would have payroll at risk in excess of \$1 billion. California alone would have one-time payroll at risk of between \$12.5 billion and \$16 billion. These payroll losses will apply to small businesses as well as large businesses.

Exhibit 6.10 presents the expected payroll at risk based on the estimated direct and implicit recurring costs for firms in compliance with the CS3D. The estimates are based on the minimum and maximum revenue factors from exhibit 6.2 and the payroll values from exhibit 6.8. Total nationwide recurring payroll at risk would range from \$700 million to more than \$39 billion annually. Twelve states would have payroll at risk of more than \$1 billion at the maximum range.

C. Small businesses are vulnerable to the CSRD and CS3D

The vulnerable industry measures above include many small businesses. But many small businesses outside of these five

sectors are at risk of repercussions as well. Small businesses are perhaps more vulnerable than large businesses to the CSRD and CS3D even though large businesses are more likely to be reporting undertakings. Usually, large businesses have the resources to pay for compliance with costly regulations; small businesses often do not. Moreover, small businesses generally do not have the organizational structure and experience to address new and challenging regulations. For large corporations, addressing new regulations is just a cost of doing business. For small businesses, these new regulations may pose an existential threat.⁷⁴

EU regulations such as the CSRD ultimately have no effective limitation on the size of companies that will ultimately comply. In economically integrated markets, all firms even remotely involved in EU commerce ultimately comply. A good example of this phenomenon is the EU's General Data Protection Regulation (GDPR) privacy law. Many if not most American businesses now have GDPR-compliant consent forms on their website homepages, asking users for consent to use various forms of personal information. Similarly, American accounting and audit firms will likely develop forms seeking information about clients' compliance with the CSRD, and as discussed below, the CS3D. Any firm actually—or potentially—selling products or services directly or indirectly in the EU will likely need documentation proving compliance with CSRD reporting requirements or Commission Recommendation (EU) 2025/1710. Firms may decline to provide information, but such refusals threaten their access to the EU market.

Even the EU's thresholds for which firms are reporting undertakings can change. Current limitations on firm size can easily be modified, as the EU has done with the December 2025 amendments. There is no guarantee that firms below the EU threshold today will remain below the EU threshold in the future.

The industries most at risk include small businesses in every state. Appendix A presents for small businesses the number

of firms, employment, and revenues for the most at-risk industries. Although I have not calculated the specific effects of either the CSRD or CS3D on small business in each state, the effects would be substantial. Revenue, employment, and payroll for the small businesses in each state presented in appendix A are a substantial share of all businesses reflected in exhibits 6.1, 6.5, and 6.8.

7. The qualitative costs of the CSRD and CS3D are substantial and likely overshadow the measurable costs

There are many costs of the CSRD and CS3D that cannot yet be quantified but are important to describe and will most likely overshadow previously discussed quantifiable costs. By way of introduction to these costs, it must be noted that practically all firms in the United States are likely to be affected by the CSRD and CS3D. Large firms required to report directly under the CSRD or CS3D do business with hundreds if not thousands of firms either in their value chain or in their chain of activities. A firm of any size is likely to do business with one of these directly reporting firms or is likely to do business with a firm that is in the value chain or chain of activities of a reporting firm.

Below are some of these qualitative costs.

A. Costs to American consumers from higher prices and loss of consumer choices

The measurable costs of the regulation described above are substantial and would almost certainly increase prices for American consumers. This is because some of the basic building blocks of the economy, specifically energy, metals, food, and materials that are transported long distances, are all likely to increase in price as a result of the new CSRD and CS3D rules. The resulting price increases would diminish the welfare of American consumers who will have to pay them.

Beyond a general increase in consumer prices, specific industries targeted by EU rules will result in fewer choices and higher prices for American consumers. Let's consider the car industry: the latest EU climate directives mandate a reduction of 90 percent of CO2 emissions in EU cars and vans by 2035 compared to 2021 levels.⁷⁵ These mandates will shape the US automotive industry as well. Although there are substantial differences between the US and the EU car markets, certain models such as Toyota's RAV4 and Honda's CR-V are very strong sellers in both. Toyota's and Honda's strategies to adapt to EU regulations will affect American consumers' choices.

The resulting market is very costly to American consumers: the Environmental Protection Agency recently released a study finding that the costs to American consumers of a 50 percent electric fleet rule "must exceed \$100 billion annually and likely near \$300 billion."⁷⁶ That would be the cost of a milder version of just one part of CS3D regulations. The total costs to American consumers—in the form of higher prices, lower quality products and services, prohibition from purchasing some goods and services altogether, and the loss of innovation, is immeasurable.

B. Costs to American consumers from corporate risk: noncompliance and civil liability are new uninsurable threats

The CSRD and CS3D bring additional costs to firms operating in the EU that are due to increased risk of noncompliance and civil liability. The EU threatens that it can assess penalties of as much as 3 percent of global revenue for noncompliance with the CS3D.⁷⁷ Potentially more costly than the penalties for noncompliance is the imposition of civil liability for failure to comply with a wide range of provisions under the CS3D.

For example, the CS3D stipulates that:

Member States shall ensure that a company can be held liable for damage caused to a natural or legal person, provided that:

(a) the company intentionally or negligently failed to comply with the obligations laid down in Articles 10 and 11, when the right, prohibition or obligation listed in the Annex to this Directive is aimed at protecting the natural or legal person; and

(b) as a result of the failure referred to in point (a), damage to the natural or legal person's legal interests that are protected under national law was caused.⁷⁸

Previously, it was possible for citizens to sue companies for environment-related damages, but it was not necessarily possible for an EU-operating company to be sued for the actions of a non-EU subsidiary or firm operating in its value chain. The CS3D changes this: a firm operating in the EU can now by default be brought to court for actions anywhere in its value chain by people anywhere in the world, or even by a trade union or nongovernmental organization.⁷⁹ This presents a fresh and untested legal exposure that could be very costly to businesses.

American firms face great uncertainty from the CSRD and CS3D. Academic research finds higher regulatory exposure results in slower sales and asset growth, lower leverage, and reduced profitability.⁸⁰ The harms from regulatory uncertainty fall disproportionately on small businesses.⁸¹

Not only is a company at risk for both penalties and civil liability for noncompliance with a wide range of rules, but these risks cannot be insured against. Businesses can insure against various types of risk that are predictable and for which there are large samples of prior events from which to measure the risk. For at least the following reasons, the uncertainty surrounding the EU initiatives is not amenable to insurance:

- Final regulations are in flux;
- Even when final regulations are promulgated, the extent

and the potential effects of the rules are practically unbounded. The extent of regulation is so vast that any cost estimate would be a rough approximation at best;

- Even if a precise estimate of the effect of the final rules were possible, the enforcement of those rules, particularly with respect to American firms or to any firms operating in the United States, is an unknowable risk;⁸² and
- Even if enforcement were known with certainty, the EU can modify underlying rules—and enforcement policies—rapidly. In 2025 alone, implementation rules have been modified and additional proposed amendments have been considered several times.⁸³

The overall cost of this added risk and the lack of insurability will be felt by American consumers. Because of the inherent unknowns, this cost cannot yet be quantified.

C. Costs to American consumers from harm to the market: information sharing

Certain types of information, particularly information necessary for a transaction, are commonly exchanged in markets (for example, prices, quantities of products, qualities of products, ability to pay, and ability to fulfill an order). But buyers and sellers are understandably reluctant to share information that is unnecessary for a transaction, especially information that reveals their specific position in their market. Release of certain market-specific information may result in competitive harm to market participants. Release of other types of information may harm the reputation of a firm or expose it to legal liability.

Both the CSRD and CS3D, which rely on ESRS standards, require undertakings to report detailed information far beyond what would normally be exchanged for market purposes.⁸⁴ Because competing firms are under the same reporting requirements, firms operating primarily in the EU face little competitive disadvantage in fully complying with ESRS.

But firms with substantial operations outside the EU are understandably reluctant to disclose information on operations outside the EU that at least some of their competitors may not be required to disclose.

Sustainability information of the type required by the EU is not usually collected by firms outside the EU, much less shared with the general public. The mere asking for information that businesses do not usually share with one another would have a chilling effect on commerce in both directions: non-EU companies would be more reluctant to go to Europe for business, and EU firms would find it harder to make relationships with non-EU firms. Existing commercial partnerships between reporting firms and non-EU firms are sure to be scrutinized as the cost of maintaining the relationship increases.

D. Costs to the American consumer from changes in corporate responsibilities and objectives

Most American businesses seek to make profits within the bounds of the law. They generally are not responsible for implementing government objectives. The CS3D changes that and makes corporations primary agents of EU political decrees. For example, the CS3D requires companies to take the following steps:

- (1) integrating due diligence into policies and management systems;
- (2) identifying and assessing adverse human rights and environmental impacts;
- (3) preventing, ceasing or minimising actual and potential adverse human rights and environmental impacts;
- (4) monitoring and assessing the effectiveness of measures;
- (5) communicating and
- (6) providing remediation.⁸⁵

The very first article of the law, article 1, states the following:

This Directive lays down rules on:

(a) obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the operations carried out by their business partners in the chains of activities of those companies;

(b) liability for violations of the obligations as referred to in point (a).⁸⁶

To a casual reader, this language might seem rather benign, or even benevolent. Companies need to make sure that their operations do not cause human rights to be violated—where's the harm in that? But these CS3D stipulations fundamentally shift the conception of what a company is. Corporations are no longer responsible to just their shareholders and their governmental bodies while they pursue profit within the bounds of the law; corporations are now legally responsible for advancing an extraordinarily vague and expansive set of non-business objectives through their own operations and those of other companies with which they have business relations. In this new world, companies have an expansive and unprecedented new set of concerns that expands even beyond their immediate operations and management structure.

E. Diminution of corporate control

Under American corporate law, only corporate owners and duly appointed corporate officers have control of the corporation and can make decisions on its behalf. Government agencies can, through laws and regulations, limit corporate conduct. Third parties can influence corporate conduct through contracts. Remarkably, the CS3D shifts corporate control and decision-making away from the shareholders and management of the company toward governments and vaguely defined stakeholders. Stakeholders are mentioned 61 times, and the term appears to encompass everyone

in the world except the management and shareholders of the corporation in question.⁸⁷ Corporations appear to cede substantial control to these ubiquitous stakeholders who must be consulted about practically all corporate decisions. For example, article 13 of the CS3D states that corporations must consult so-called stakeholders:

- (a) when gathering the necessary information on actual or potential adverse impacts, in order to identify, assess and prioritise adverse impacts pursuant to Articles 8 and 9;
- (b) when developing prevention and corrective action plans pursuant to Article 10 and Article 11, and developing enhanced prevention and corrective action plans pursuant to Article 10 and Article 11;
- (c) when deciding to terminate or suspend a business relationship pursuant to Article 10 and Article 11;
- (d) when adopting appropriate measures to remediate adverse impacts pursuant to Article 12;
- (e) as appropriate, when developing qualitative and quantitative indicators for the monitoring required under Article 15.

Simply stated, an American corporation under the CS3D must consult with stakeholders for many if not all important corporate decisions. No doubt, failure to implement the stakeholder consultation process in article 15 could lead to corporate liability in disputes with stakeholders. Meaningful control of the corporation is lost.

Troubling also is the emphasis on due diligence in the stakeholder consultation process. As mentioned above, due diligence is mentioned 138 times in the 58-page directive, and at each instance of due diligence, the stakeholder consultation process of article 13 could, and likely would, be invoked. The corporation, rather than running an efficient business, is required to engage in more than 100

forms of due diligence and consult with an exhaustive list of stakeholders in each of these instances. Although the December 2025 amendments narrow the list of specific stakeholders that require consultation, such consultations are still required.

American companies, and international firms operating in the United States, are not immune to the regulations under the CSRD and CS3D. The directives transfer corporate control to the EU and stakeholders not only for corporate conduct in the EU but also for corporate conduct in other countries, including the United States. Indeed, recent academic research finds that American corporate board members will become increasingly responsible individually for corporate compliance with the CS3D.⁸⁸

The author has found no discussion, much less cost estimates, of the dramatic shift in corporate control under the CSRD and CS3D. Those effects are large but currently unmeasured.

F. Changes in business liability

The CS3D is not merely about shifting corporate control but also about shifting liability, particularly civil liability, from shareholder interests to corporations. Civil liability, damages, and remediation are frequently mentioned in the CS3D.⁸⁹ Not only does the directive assign liability to corporations, it also frequently requires damages and remediation.

Independent of the formal EU governmental enforcement of the rules, American corporations are vulnerable to shareholder lawsuits for failure to disclose relevant information that might affect the value of securities. As discussed in the previous section, the directives create seemingly unbounded obligations to engage in vague forms of due diligence and to consult with countless stakeholders. Each of these activities is potentially a reportable event.

Efforts to comply with the directives may reduce legal exposure to EU governmental oversight and penalties but may paradoxically create substantial legal liability in the United States. For example, boards of American corporations have duties to safeguard the interests of shareholders, not outside parties. Yet the CS3D creates duties of boards to outside parties, likely in conflict with American corporate law. The author has found no discussion, much less cost estimates, of the dramatic shift in corporate liability under the CSRD and CS3D. Those effects are large but currently unmeasured.

The likely result is that American firms will choose to comply with the CSRD and CS3D to avoid potential liability. At first glance, the costs of the CS3D to an American business could be avoided by simply shunning the EU market. But much as the EU's GDPR rules have resulted in compliance from American businesses far removed from the EU market, so too the CSRD and CS3D will likely lead American firms to comply. The reality of global supply chains means that the CSRD and CS3D will ultimately require many firms that do not directly sell in the EU to document their compliance with the CS3D. Firms specializing in compliance with the CSRD and CS3D will advise American businesses that, to avoid potential liability, it is simpler to comply.

G. Changes in the relative regulation of different industries

Not all industries will be identically affected. Some activities, although not specifically excluded, may be substantially curtailed or even eliminated as a result of environmental regulatory objectives independent of costs. Some industries are more likely to be affected than others, including manufacturing and distribution of textiles, leather goods, agriculture, forestry, fisheries, food and beverage manufacturing, and extractive industries.⁹⁰ American businesses in certain industries, notably Internet-related sectors, have been frequent targets of EU regulation in the

past, and CSRD and CS3D regulations may provide new avenues for EU oversight of these companies.

Many reviews of CSRD and CS3D regulations focus on the distinction between the “covered” companies—large companies that will have substantial reporting requirements and face potential liability and penalties—and smaller companies that do not have the same reporting requirements or face direct liability. But the changes in business activity in the EU as a result of CSRD and CS3D regulations are likely to affect all American companies, large and small, operating in the EU.

H. Loss of American sovereignty over regulation of business

These enormous losses to American businesses and consumers from the CSRD and CS3D beg the question of where American businesses and consumers can go to seek relief. Ordinarily, American businesses and consumers can go to their elected officials and government agencies to seek review of regulations. But the American government has no control over the CSRD and CS3D, despite their substantial effect on American markets and American consumers.

I. Conclusion: The CSRD and CS3D dramatically change market conditions, with untold qualitative costs

The CSRD and CS3D substantially alter global market conditions. Some firms will simply go out of business. Others will be dramatically affected and exit certain lines of business. The measurable costs above are for the firms that remain in business and remain in the same sectors, not for the many firms that will exit certain markets or dramatically change their focus.

The regulations will affect market structures not only in the EU but around the world. The costs of complying with the CSRD and CS3D are substantial. Because new regulatory costs can more easily be borne by larger firms, these new and costly regulations will benefit major firms at the expense of smaller businesses. As the efficient size of a firm to enter a market increases, fewer firms will be able to enter and compete in those markets. Fewer market participants will reduce competition and therefore stifle innovation and raise prices in that market.

The nearly unlimited scope and scale of the CSRD and CS3D mean that these effects will be felt worldwide.

Exhibits

Exhibit 1.1. Summary of Estimated Costs of CSRD and CS3D for American Firms (in Billions of Dollars)

	CATEGORY	MINIMUM	MAXIMUM
One-time Costs	CSRD	\$1.00	\$175.00
	CS3D	\$637.00	\$1,093.00
	Total	\$638.00	\$1,268.00
Direct Annual Recurring Costs Only	CSRD Total	\$0.84	\$17.30
	*CSRD not overlapping with CS3D	\$0.84	\$9.30
	CS3D	\$0.57	\$8.02
	Total	\$1.41	\$17.32
Direct and Implicit Annual Recurring Costs	CSRD	\$0.84	\$9.30
	CS3D	\$6.24	\$453.00
	Total	\$7.08	\$462.30

Note: Some annual recurring costs for CSRD and CS3D overlap.

Sources: Exhibits 3.5 and 5.6.

Exhibit 1.2. Order of Magnitude of Estimated Costs of CS3D to American Firms (in Trillions of Dollars)

COST CATEGORY	ESTIMATED RANGE
One-time costs of bringing supply chain into compliance with CS3D	0.1 – 1.0
Measurable and implicit annual recurring costs of CS3D compliance	0.001 – 0.1
Net present value of annual recurring costs of CS3D compliance	0.01 – 1.0
Immeasurable costs	?

Exhibit 2.1. US Industry by Sector in 2023

SECTOR	ALL FIRMS		FIRMS MOST AT RISK FROM EU RULES	
	NUMBER OF US ENTITIES (2022)	REVENUE 2023 (\$ BILLIONS)	2022 NUMBER OF US ENTITIES*	2023 REVENUE (IN \$BILLIONS***)
Agriculture, Forestry, Fishing and Hunting	367,959	622	367,959	622
Mining	33,339	720	33,339	720
Utilities	52,270	640		
Construction	1,512,763	2,336		
Manufacturing	660,640	7,211	660,640	7,211
Wholesale Trade	698,477	2,841		
Retail Trade	1,870,617	2,773		
Transportation and Warehousing	711,582	1,751		
Information	370,463	2,517	370,463	2,517
Finance and Insurance	771,419	9,337	771,419	9,337
Real Estate Rental and Leasing	926,476	5,553		
Professional, Scientific, and Technical Services	2,489,746	5,577		
Management of Companies and Enterprises	93,116	784		
Administrative and Support and Waste Services	1,553,879	1,493		
Educational Services	430,343	3,761		
Health Care and Social Assistance	1,695,931	3,288		
Arts, Entertainment, and Recreation	385,880	2,189		
Accommodation and Food Services	931,927	1,671		
Other Services (except Public Administration)	1,955,493	1,017		
Public Administration	256,211	5,097		
Total	17,768,531	61,175	2,203,820	20,406

Sources: Bureau of Labor Statistics, data for employment by major industry sector, table 2.1, accessed September 2025, <https://www.bls.gov/emp/tables/employment-by-major-industry-sector.htm>; for number of entities, see North American Industry Classification System, data for number of US entities, accessed September 2025, <https://www.naics.com/search/>; for revenues, see Bureau of Economic Analysis, industry economic accounts data, <https://apps.bea.gov/iTable/?reqid=1603&step=2&Categories=GDPxInd&isURI=1>.

Exhibit 2.2. Revenues of American Firms Potentially at Risk from CSRD (in Billions of Dollars)

CATEGORY	REVENUE
50% of industries most at risk	10,203
American companies from <i>Fortune</i> 500 qualifying for CS3D	9,970
Revenue of S&P 500	17,491

Sources: Exhibit 2.1; author's calculations based on data from David Ollivier de Leth, "CSDDD Datahub," Centre for Research on Multinational Corporations (SOMO), <https://www.somo.nl/csddd-datahub>; Data for S&P 500 Revenue, Gurufocus, September 30, 2025, https://www.gurufocus.com/economic_indicators/5748/sp-500-revenue-ttm.

Exhibit 3.1. Estimated One-Time Setup Costs for CSRD Reporting for US Firms (in Billions of Dollars)

SOURCE	PERCENTAGE OF REVENUE	50% OF INDUSTRY MOST AT RISK	AMERICAN COMPANIES ON THE SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 500
EFRAG	0.007%	\$0.71	\$0.70	\$1.22
	0.014%	\$1.43	\$1.40	\$2.45
Ecobio	0.50%	\$51.02	\$49.85	\$87.46
	1%	\$102.03	\$99.70	\$174.91

Sources: For EFRAG, see "Draft European Sustainability Reporting Standards," EFRAG, November 28, 2022, 19, <https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/05%20EFRAGs%20Cover%20Letter%20on%20the%20Cost-benefit%20analysis.pdf>; for Ecobio, see "The Costs and Benefits of CSRD Reporting," Ecobio, accessed January 2026, <https://ecobiomanager.com/the-costs-and-benefits-of-csrd-reporting/>.

Exhibit 3.2. Estimates of Recurring Costs for CSRD Reporting for US Firms (in Billions of Dollars)

SOURCE	PERCENTAGE OF REVENUE	50% OF INDUSTRY MOST AT RISK			AMERICAN COMPANIES ON THE SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 500
		TOTAL	MIN	MAX		
EFRAG	0.008%	\$0.82			\$0.80	\$1.40
	0.015%	\$1.53			\$1.50	\$2.62
Karl Burkhart	0.066%				\$6.58	\$11.54
Total		\$6.73				
Excluding CS3D Overlap			\$0.81	\$2.06	\$0.79	\$3.53

Note: Burkhart writes, "Altogether that adds up to about €39.0 billion per year (\$45 billion US) for ESRS accounting and reporting by my estimate—or roughly 10 basis points on business revenue (aka 'turnover' as they say on the Continent)." The 10 basis points can be divided two-thirds CSRD reporting and one-third auditing: "Based on estimates presented below, this could create an addressable market of \$30 billion per year by 2030 for CSRD reporting software and services (beyond an estimated \$15B per year for auditing and staffing)."

Note 2: Values excluding CS3D overlap reflect the total cost of CSRD annual compliance of \$6.73 billion minus the CS3D annual compliance costs reflected in exhibit 5.2.

Sources: For EFRAG, see "Draft European Sustainability Reporting Standards," EFRAG, November 28, 2022, 19, <https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/05%20EFRAGs%20Cover%20Letter%20on%20the%20Cost-benefit%20analysis.pdf>; for Burkhart, see Karl Burkhart, "How Much Will It Cost Companies to Comply with EU's Nature Reporting Standard (ESRS)," Medium, July 9, 2025, <https://medium.com/oneearth/how-much-will-it-cost-companies-to-comply-with-eus-nature-reporting-standard-esrs-90b5d46dd86e>.

Exhibit 3.3. Estimates of Recurring Auditing Costs for US Firms for CSRD (in Billions of Dollars)

SOURCE	PERCENTAGE OF REVENUE	50% OF INDUSTRY MOST AT RISK	SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 500
EFRAG (Limited Assurance)	0.0004%	\$0.04	\$0.04	\$0.07
	0.026%	\$2.65	\$2.59	\$4.55
Karl Burkhart	0.033%	\$3.37	\$3.29	\$5.77

Sources: For EFRAG, see "Draft European Sustainability Reporting Standards"; for Burkhart, see Burkhart, "How Much Will It Cost Companies to Comply?"

Exhibit 3.4. Estimates of Annual Recurring Reporting and Auditing Costs under CSRD for US Firms (in Billions of Dollars)

SOURCE		50% OF INDUSTRY MOST AT RISK			AMERICAN COMPANIES ON THE SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 500
		TOTAL	MIN	MAX		
EFRAG (Limited Assurance)	low	\$0.86			\$0.84	\$1.47
	high	\$4.18			\$4.09	\$7.17
Burkhart					\$9.87	\$17.32
Total		\$10.10				
Excluding CS3D Overlap			\$4.18	\$5.42	\$4.08	\$9.30

Sources: Exhibits 3.2 and 3.3.

Exhibit 3.5. Estimates of Total Costs under CSRD for US Firms (in Billions of Dollars)

COST CATEGORY	50% OF INDUSTRY MOST AT RISK	SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 500
One-Time Costs	\$0.71 – \$102.03	\$0.70 – \$99.70	\$1.22 – \$174.90
Annual Recurring Costs—Total	\$0.86 – \$10.10	\$0.84 – \$9.87	\$1.47 – \$17.32
Annual Recurring Costs—Excluding CS3D Overlap	\$0.86 – \$5.42	\$0.84 – \$4.09	\$1.47 – \$9.30
Net Present Value of Annual Recurring Costs (10% Discount rate)	\$8.6 – \$101	\$8.4 – \$98.7	\$14.7 – \$173.2

Sources: Exhibits 3.1 and 3.4.

Exhibit 4.1. Revenues of American Firms Potentially at Risk from CS3D (in Billions of Dollars)

	50% OF AMERICAN INDUSTRIES MOST AT RISK	AMERICAN COMPANIES (FORTUNE 500 + SOMO) QUALIFYING FOR CS3D	REVENUE OF S&P 150
Low estimate*	7,086		
High estimate**	8,975		
		8,770	12,148

Note 1: Low estimate uses ratio of S&P 150 revenue to S&P 500 revenue times 50% of industry revenue from exhibit 3. High estimate uses ratio of SOMO list CS3D revenue to SOMO list CSRD revenue times 50% of industry revenue from exhibit 3.

Note 2: For methodology for American companies, see text of report.

Note 3: Author's estimate for trailing twelve months (TTM) revenue for top 150 firms in S&P 500, September 30, 2025.

Exhibit 5.1. Estimated Costs to Bring Supply Chains into Compliance with CS3D within Two Years (in Billions of Dollars)

SOURCE	50% OF INDUSTRY MOST AT RISK (LOW)	50% OF INDUSTRY MOST AT RISK (HIGH)	AMERICAN COMPANIES QUALIFYING FOR CS3D	REVENUE OF S&P 150	EUROPEAN COMMISSION ESTIMATE**
DWF (9% of revenue)	\$637.78	\$807.76	\$789.30	\$ 1,093.32	
European Commission Estimate					\$2.26

Sources: For DWF, see *True Diligence* (DWF, updated March 2024), <https://dwfgroup.com/en/news-and-insights/reports-and-publications/true-diligence>; for European Commission, see "Answer Given by Executive Vice-President Dombrovskis on Behalf of the European Commission," European Parliament, April 2, 2024, https://www.europarl.europa.eu/doceo/document/E-9-2023-003394-ASW_EN.html.

Exhibit 5.2. Estimates of Recurring Costs for CS3D Reporting for US Firms (in Billions of Dollars)

SOURCE	% OF REVENUE	50% OF INDUSTRY MOST AT RISK (LOW)	50% OF INDUSTRY MOST AT RISK (HIGH)	AMERICAN COMPANIES ON SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 150	TOTAL
*EFRAG	0.008%	0.57	0.72	0.70	0.97	
	0.015%	1.06	1.35	1.32	1.82	
**Karl Burkhart	0.066%	4.68	5.92	5.79	8.02	
***European Commission						\$2.90

Sources: For EFRAG, see "Draft European Sustainability Reporting Standards"; for Burkhart, see "How Much Will It Cost Companies to Comply?"; for European Commission, see "Answer Given by Executive Vice-President Dombrovskis."

Exhibit 5.3. Implicit Change in Measurable Annual Conduct Costs under CS3D: Joshi, Krishnan, and Lave (in Billions of Dollars)

SOURCE	50% OF INDUSTRY MOST AT RISK (LOW)	50% OF INDUSTRY MOST AT RISK (HIGH)	COMPANIES ON SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 150	TOTAL
EFRAG (Low)	\$5.67	\$7.18	\$7.02	\$9.72	
EFRAG (High)	\$10.63	\$13.46	\$13.16	\$18.22	
Karl Burkhart	\$46.77	\$59.24	\$57.88	\$80.18	
European Commission					\$29.00

Source: Satish Joshi, Ranjani Krishnan, and Lester Lave, "Estimating the Hidden Costs of Environmental Regulation," *Accounting Review* 76, no. 2 (April 2001): 171–98, <https://www.jstor.org/stable/3068911>.

Exhibit 5.4. Implicit Change in Measurable Annual Conduct Costs under CS3D: Pizer and Kopp (in Billions of Dollars)

SOURCE	50% OF INDUSTRY MOST AT RISK (LOW)	50% OF INDUSTRY MOST AT RISK (HIGH)	SOMO LIST QUALIFYING FOR	REVENUE OF S&P 150	TOTAL
EFRAG (Low)	\$10.70	\$13.55	\$13.24	\$18.34	
EFRAG (High)	\$20.06	\$25.40	\$24.82	\$34.38	
Karl Burkhart	\$88.25	\$111.77	\$109.21	\$151.28	
European Commission					\$54.72

Source: William A. Pizer and Raymond Kopp, "Calculating the Costs of Environmental Regulation," Resources for the Future, March 2003, <https://media.rff.org/documents/RFF-DP-03-06.pdf>.

Exhibit 5.5. Implicit Change in Measurable Annual Conduct Costs under CS3D (in Billions of Dollars)

SOURCE		50% OF INDUSTRY MOST AT RISK (LOW)	50% OF INDUSTRY MOST AT RISK (HIGH)	SOMO LIST QUALIFYING FOR CSRD	REVENUE OF S&P 150 (LOW)	TOTAL
EFRAG	Low	\$31.50	\$39.89	\$39.98	\$53.99	
	High	\$59.05	\$74.79	\$73.08	\$101.23	
Karl Burkhart		\$259.84	\$329.09	\$321.57	\$445.43	
European Commission						\$161.11

Source: Christine R. Volgan, "Pollution Abatement and Control Expenditures," *Survey of Current Business* 76, no. 9 (September 1996): 50, chart 2, <https://apps.bea.gov/scb/pdf/national/niparel/1996/0996eed.pdf>.



Exhibit 5.6. Estimates of Total Costs under CS3D for US Firms (in Billions of Dollars)

COST CATEGORY	50% OF INDUSTRY MOST AT RISK	AMERICAN COMPANIES QUALIFYING FOR CSRD	REVENUE OF S&P 500
One-Time Costs	\$637 – \$807	\$789	\$1,093
Annual Recurring Directly Measurable Costs	\$0.57 – \$5.92	\$0.70 – \$5.79	\$0.97 – \$8.02
Implicit Recurring Costs (Change in Conduct)	\$5.67 – \$329	\$7.03 – \$322	\$9.72 – \$445
Total Recurring Costs	\$6.24 – \$334.92	\$7.73 – \$328	\$10.7 – \$453
Net Present Value of Annual Recurring Costs (10%)	\$62.4 – \$3,349	\$77 – \$3,280	\$107 – \$4,530

Sources: Exhibits 5.1–5.5.

Exhibit 6.1. Estimated 2025 Revenues of Most Vulnerable Industries by State to CS3D (in Millions of Dollars)

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY REVENUE	50% OF CORE INDUSTRY REVENUE
Alabama	19,516	2,428	177,579	15,933	73,848	289,304	144,652
Alaska	6,268	14,385	7,416	5,003	4,290	37,361	18,681
Arizona	6,332	8,934	76,104	30,449	197,839	319,657	159,829
Arkansas	16,051	1,917	83,315	8,955	36,541	146,780	73,390
California	134,842	22,253	686,472	839,330	1,075,843	2,758,740	1,379,370
Colorado	5,692	24,165	64,238	73,835	143,597	311,526	155,763
Connecticut	810	270	66,569	46,173	255,337	369,158	184,579
Delaware	514	51	24,683	4,402	72,885	102,534	51,267
District of Columbia	44	-	277	14,879	150,368	165,569	82,784
Florida	22,044	2,168	149,333	124,318	520,943	818,805	409,403
Georgia	32,716	2,245	217,103	95,070	285,173	632,307	316,153
Hawaii	337	75	7,284	5,423	26,264	39,382	19,691
Idaho	12,682	1,104	31,620	6,367	22,852	74,624	37,312
Illinois	7,656	2,747	331,321	79,796	509,504	931,024	465,512
Indiana	7,029	2,435	340,418	21,099	125,600	496,582	248,291
Iowa	14,523	665	157,723	14,306	141,122	328,339	164,170
Kansas	4,582	4,080	112,861	17,723	66,400	205,646	102,823
Kentucky	3,859	3,944	172,380	10,994	87,709	278,886	139,443
Louisiana	13,416	29,955	267,835	10,773	59,887	381,867	190,933
Maine	12,060	49	20,624	4,518	30,233	67,483	33,741
Maryland	5,063	534	52,628	31,607	147,701	237,533	118,766
Massachusetts	3,949	378	102,865	100,788	340,202	548,182	274,091
Michigan	15,443	2,639	301,667	34,918	245,805	600,473	300,236
Minnesota	13,211	3,544	164,385	31,455	347,183	559,779	279,889
Mississippi	17,190	1,516	92,623	5,765	28,622	145,717	72,859
Missouri	6,373	1,309	147,361	34,574	211,852	401,470	200,735
Montana	6,928	4,304	16,549	3,979	11,557	43,317	21,659
Nebraska	7,641	342	75,561	10,560	73,947	168,051	84,025
Nevada	745	8,485	36,441	18,354	45,163	109,188	54,594

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY REVENUE	50% OF CORE INDUSTRY REVENUE
New Hampshire	2,051	74	25,160	10,322	36,741	74,348	37,174
New Jersey	4,631	600	123,246	66,814	355,508	550,800	275,400
New Mexico	2,127	47,987	16,961	6,148	24,100	97,324	48,662
New York	9,173	1,440	182,375	298,325	1,350,374	1,841,687	920,844
North Carolina	17,053	1,551	241,844	56,510	267,699	584,657	292,329
North Dakota	2,623	33,829	25,023	2,929	13,718	78,123	39,062
Ohio	3,872	5,052	384,284	42,849	363,055	799,112	399,556
Oklahoma	3,374	40,258	79,200	12,338	43,396	178,567	89,283
Oregon	40,018	524	81,125	25,236	88,401	235,305	117,652
Pennsylvania	9,241	40,470	271,577	61,719	487,259	870,266	435,133
Rhode Island	550	64	14,915	3,427	55,837	74,793	37,397
South Carolina	13,027	876	148,984	21,295	72,401	256,582	128,291
South Dakota	2,717	422	24,006	2,844	23,771	53,760	26,880
Tennessee	5,630	1,254	192,252	28,415	195,224	422,775	211,387
Texas	29,475	310,689	804,232	177,353	784,041	2,105,790	1,052,895
Utah	1,962	8,463	74,869	33,735	75,577	194,605	97,302
Vermont	1,281	348	10,628	3,037	13,051	28,345	14,173
Virginia	17,144	3,910	124,596	88,069	411,619	645,337	322,669
Washington	52,766	857	134,632	160,078	139,380	487,712	243,856
West Virginia	2,015	25,533	29,892	3,470	17,553	78,462	39,231
Wisconsin	12,826	1,066	223,083	26,900	228,575	492,451	246,226
Wyoming	911	14,859	9,915	1,411	6,581	33,677	16,838
Total	631,985	687,046	7,208,031	2,834,572	10,392,127	21,753,762	10,876,881

Source: US Census Bureau, data for All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the US, States, and Selected Geographies: 2022, table CB2200CBP, accessed December 2025, <https://data.census.gov/table/CBP2022.CB2200CBP?q=CBP2022.CB2200CBP>.



Exhibit 6.2. Summary of Estimated Costs of CS3D for 50 Percent of American Industries Most at Risk (in Billions of Dollars)

COST TYPE	MINIMUM	MAXIMUM	SHARE OF REVENUE (MIN)	SHARE OF REVENUE (MAX)
One-Time Setup Costs	637.0	807.0	5.856%	7.419%
Direct Annual Recurring Costs Only	0.6	5.9	0.005%	0.054%
Direct and Implicit Annual Recurring Costs	6.2	334.9	0.057%	3.079%

Source: US Census Bureau, data for All Sectors: County Business Patterns.

Exhibit 6.3. Range of Estimated 2025 Setup Costs by Industry and by State for CS3D for 50
Percent of Revenue of Core Industries (in Millions of Dollars)

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
Alabama	571	71	5,200	467	2,162	8,471	724	90	6,588	591	2,740	10,732
Alaska	184	421	217	146	126	1,094	233	534	275	186	159	1,386
Arizona	185	262	2,228	892	5,793	9,360	235	331	2,823	1,130	7,339	11,858
Arkansas	470	56	2,440	262	1,070	4,298	595	71	3,091	332	1,356	5,445
California	3,948	652	20,101	24,578	31,503	80,782	5,002	826	25,466	31,137	39,911	102,341
Colorado	167	708	1,881	2,162	4,205	9,122	211	896	2,383	2,739	5,327	11,557
Connecticut	24	8	1,949	1,352	7,477	10,810	30	10	2,470	1,713	9,472	13,695
Delaware	15	1	723	129	2,134	3,002	19	2	916	163	2,704	3,804
District of Columbia	1	-	8	436	4,403	4,848	2	-	10	552	5,578	6,142
Florida	646	63	4,373	3,640	15,254	23,976	818	80	5,540	4,612	19,325	30,375
Georgia	958	66	6,357	2,784	8,351	18,515	1,214	83	8,054	3,527	10,579	23,457
Hawaii	10	2	213	159	769	1,153	13	3	270	201	974	1,461
Idaho	371	32	926	186	669	2,185	470	41	1,173	236	848	2,768
Illinois	224	80	9,702	2,337	14,919	27,263	284	102	12,291	2,960	18,901	34,538
Indiana	206	71	9,968	618	3,678	14,541	261	90	12,628	783	4,659	18,422
Iowa	425	19	4,618	419	4,132	9,615	539	25	5,851	531	5,235	12,180
Kansas	134	119	3,305	519	1,944	6,022	170	151	4,187	657	2,463	7,629
Kentucky	113	115	5,048	322	2,568	8,166	143	146	6,395	408	3,254	10,346
Louisiana	393	877	7,843	315	1,754	11,182	498	1,111	9,936	400	2,222	14,166
Maine	353	1	604	132	885	1,976	447	2	765	168	1,122	2,503
Maryland	148	16	1,541	926	4,325	6,956	188	20	1,952	1,173	5,479	8,812
Massachusetts	116	11	3,012	2,951	9,962	16,052	147	14	3,816	3,739	12,620	20,336
Michigan	452	77	8,834	1,022	7,198	17,583	573	98	11,191	1,295	9,119	22,276
Minnesota	387	104	4,814	921	10,166	16,392	490	131	6,098	1,167	12,879	20,766
Mississippi	503	44	2,712	169	838	4,267	638	56	3,436	214	1,062	5,406
Missouri	187	38	4,315	1,012	6,204	11,756	236	49	5,467	1,283	7,859	14,893
Montana	203	126	485	117	338	1,268	257	160	614	148	429	1,607
Nebraska	224	10	2,213	309	2,165	4,921	283	13	2,803	392	2,743	6,234
Nevada	22	248	1,067	537	1,322	3,197	28	315	1,352	681	1,675	4,051
New Hampshire	60	2	737	302	1,076	2,177	76	3	933	383	1,363	2,758



	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
New Jersey	136	18	3,609	1,956	10,410	16,129	172	22	4,572	2,479	13,188	20,433
New Mexico	62	1,405	497	180	706	2,850	79	1,780	629	228	894	3,610
New York	269	42	5,340	8,736	39,542	53,929	340	53	6,766	11,067	50,095	68,321
North Carolina	499	45	7,082	1,655	7,839	17,120	633	58	8,972	2,096	9,931	21,689
North Dakota	77	991	733	86	402	2,288	97	1,255	928	109	509	2,898
Ohio	113	148	11,253	1,255	10,631	23,400	144	187	14,256	1,590	13,468	29,645
Oklahoma	99	1,179	2,319	361	1,271	5,229	125	1,493	2,938	458	1,610	6,624
Oregon	1,172	15	2,376	739	2,589	6,890	1,485	19	3,010	936	3,279	8,729
Pennsylvania	271	1,185	7,952	1,807	14,268	25,483	343	1,501	10,075	2,290	18,076	32,284
Rhode Island	16	2	437	100	1,635	2,190	20	2	553	127	2,071	2,775
South Carolina	381	26	4,363	624	2,120	7,513	483	32	5,527	790	2,686	9,518
South Dakota	80	12	703	83	696	1,574	101	16	891	106	882	1,994
Tennessee	165	37	5,630	832	5,717	12,380	209	47	7,132	1,054	7,242	15,684
Texas	863	9,098	23,550	5,193	22,959	61,662	1,093	11,526	29,835	6,579	29,086	78,119
Utah	57	248	2,192	988	2,213	5,698	73	314	2,777	1,251	2,804	7,219
Vermont	38	10	311	89	382	830	48	13	394	113	484	1,052
Virginia	502	114	3,648	2,579	12,053	18,897	636	145	4,622	3,267	15,270	23,940
Washington	1,545	25	3,942	4,687	4,081	14,281	1,957	32	4,994	5,938	5,171	18,093
West Virginia	59	748	875	102	514	2,298	75	947	1,109	129	651	2,911
Wisconsin	376	31	6,532	788	6,693	14,420	476	40	8,276	998	8,479	18,268
Wyoming	27	435	290	41	193	986	34	551	368	52	244	1,249
Total	18,506	20,118	211,068	83,003	304,305	637,000	23,445	25,487	267,397	105,154	385,517	807,000

Sources: Exhibits 6.1 and 6.2.



Exhibit 6.4. Range of Estimated 2025 Direct and Implicit Annual Recurring Costs by Industry and by State for CS3D for 50 Percent of Revenue of Core Industries (in Millions of Dollars)

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
Alabama	6	1	51	5	21	83	300	37	2,734	245	1,137	4,454
Alaska	2	4	2	1	1	11	96	221	114	77	66	575
Arizona	2	3	22	9	57	92	97	138	1,172	469	3,046	4,921
Arkansas	5	1	24	3	10	42	247	30	1,283	138	563	2,260
California	39	6	197	241	309	791	2,076	343	10,569	12,922	16,564	42,473
Colorado	2	7	18	21	41	89	88	372	989	1,137	2,211	4,796
Connecticut	0	0	19	13	73	106	12	4	1,025	711	3,931	5,684
Delaware	0	0	7	1	21	29	8	1	380	68	1,122	1,579
District of Columbia	0	-	0	4	43	47	1	-	4	229	2,315	2,549
Florida	6	1	43	36	149	235	339	33	2,299	1,914	8,020	12,606
Georgia	9	1	62	27	82	181	504	35	3,343	1,464	4,391	9,735
Hawaii	0	0	2	2	8	11	5	1	112	83	404	606
Idaho	4	0	9	2	7	21	195	17	487	98	352	1,149
Illinois	2	1	95	23	146	267	118	42	5,101	1,229	7,844	14,334
Indiana	2	1	98	6	36	142	108	37	5,241	325	1,934	7,645
Iowa	4	0	45	4	40	94	224	10	2,428	220	2,173	5,055
Kansas	1	1	32	5	19	59	71	63	1,738	273	1,022	3,166
Kentucky	1	1	49	3	25	80	59	61	2,654	169	1,350	4,294
Louisiana	4	9	77	3	17	110	207	461	4,124	166	922	5,879
Maine	3	0	6	1	9	19	186	1	318	70	465	1,039
Maryland	1	0	15	9	42	68	78	8	810	487	2,274	3,657
Massachusetts	1	0	30	29	98	157	61	6	1,584	1,552	5,238	8,440
Michigan	4	1	87	10	71	172	238	41	4,644	538	3,784	9,245
Minnesota	4	1	47	9	100	161	203	55	2,531	484	5,345	8,618
Mississippi	5	0	27	2	8	42	265	23	1,426	89	441	2,243
Missouri	2	0	42	10	61	115	98	20	2,269	532	3,262	6,181
Montana	2	1	5	1	3	12	107	66	255	61	178	667
Nebraska	2	0	22	3	21	48	118	5	1,163	163	1,138	2,587
Nevada	0	2	10	5	13	31	11	131	561	283	695	1,681
New Hampshire	1	0	7	3	11	21	32	1	387	159	566	1,145
New Jersey	1	0	35	19	102	158	71	9	1,897	1,029	5,473	8,480



	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
New Mexico	1	14	5	2	7	28	33	739	261	95	371	1,498
New York	3	0	52	86	387	528	141	22	2,808	4,593	20,790	28,355
North Carolina	5	0	69	16	77	168	263	24	3,723	870	4,121	9,001
North Dakota	1	10	7	1	4	22	40	521	385	45	211	1,203
Ohio	1	1	110	12	104	229	60	78	5,916	660	5,590	12,303
Oklahoma	1	12	23	4	12	51	52	620	1,219	190	668	2,749
Oregon	11	0	23	7	25	67	616	8	1,249	389	1,361	3,623
Pennsylvania	3	12	78	18	140	250	142	623	4,181	950	7,502	13,399
Rhode Island	0	0	4	1	16	21	8	1	230	53	860	1,152
South Carolina	4	0	43	6	21	74	201	13	2,294	328	1,115	3,950
South Dakota	1	0	7	1	7	15	42	6	370	44	366	828
Tennessee	2	0	55	8	56	121	87	19	2,960	437	3,006	6,509
Texas	8	89	231	51	225	604	454	4,783	12,382	2,731	12,071	32,421
Utah	1	2	21	10	22	56	30	130	1,153	519	1,164	2,996
Vermont	0	0	3	1	4	8	20	5	164	47	201	436
Virginia	5	1	36	25	118	185	264	60	1,918	1,356	6,337	9,936
Washington	15	0	39	46	40	140	812	13	2,073	2,465	2,146	7,509
West Virginia	1	7	9	1	5	23	31	393	460	53	270	1,208
Wisconsin	4	0	64	8	66	141	197	16	3,435	414	3,519	7,582
Wyoming	0	4	3	0	2	10	14	229	153	22	101	518
Total	181	197	2,068	813	2,981	6,240	9,730	10,578	110,975	43,641	159,997	334,920

Sources: Exhibits 6.1 and 6.2.



Exhibit 6.5. 2022 Employment of Most Vulnerable Industries by State to CS3D Directives

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY EMPLOYMENT	50% OF INDUSTRY EMPLOYMENT
Alabama	5,501	4,902	267,658	29,246	73,921	381,228	190,614
Alaska	675	9,214	10,824	7,054	7,329	35,096	17,548
Arizona	1,941	12,105	171,133	54,214	183,726	423,119	211,560
Arkansas	4,780	3,076	161,239	18,858	42,219	230,172	115,086
California	33,361	15,982	1,160,856	794,947	661,919	2,667,065	1,333,533
Colorado	1,754	19,012	135,443	94,785	128,919	379,913	189,957
Connecticut	325	527	151,851	35,704	112,512	300,919	150,460
Delaware	136	271	29,767	7,711	33,368	71,253	35,627
District of Columbia	15		1,014	26,867	21,199	49,095	24,548
Florida	7,877	3,847	353,423	171,894	426,105	963,146	481,573
Georgia	7,826	5,208	403,419	125,853	194,039	736,345	368,173
Hawaii	236	188	10,375	7,614	20,536	38,949	19,475
Idaho	3,436	2,867	67,843	18,325	25,416	117,887	58,944
Illinois	1,572	5,774	534,710	115,210	356,937	1,014,203	507,102
Indiana	1,707	5,432	527,426	37,950	111,724	684,239	342,120
Iowa	2,481	2,117	221,514	31,619	99,881	357,612	178,806
Kansas	855	5,556	167,278	25,316	66,881	265,886	132,943
Kentucky	1,405	7,583	254,697	26,676	69,673	360,034	180,017
Louisiana	3,428	31,483	116,680	18,880	60,844	231,315	115,658
Maine	3,152	196	55,849	9,538	31,691	100,426	50,213
Maryland	1,242	922	104,739	48,719	104,312	259,934	129,967
Massachusetts	1,274	987	232,734	130,330	187,453	552,778	276,389
Michigan	4,300	4,800	595,273	60,995	178,937	844,305	422,153
Minnesota	4,017	4,861	320,033	57,880	164,572	551,363	275,682
Mississippi	4,474	2,886	147,818	10,836	34,860	200,874	100,437
Missouri	1,342	3,702	277,514	53,238	151,299	487,095	243,548
Montana	1,631	5,369	21,843	7,626	16,874	53,343	26,672
Nebraska	1,271	1,057	102,150	23,211	65,580	193,269	96,635
Nevada	315	14,182	61,344	20,408	46,978	143,227	71,614

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY EMPLOYMENT	50% OF INDUSTRY EMPLOYMENT
New Hampshire	584	188	67,557	13,907	28,589	110,825	55,413
New Jersey	1,112	1,713	220,198	83,133	208,420	514,576	257,288
New Mexico	427	14,777	29,639	8,994	25,172	79,009	39,505
New York	2,842	3,806	411,668	328,753	539,719	1,286,788	643,394
North Carolina	4,616	3,428	467,211	90,079	221,483	786,817	393,409
North Dakota	360	15,571	27,802	6,581	18,059	68,373	34,187
Ohio	1,234	9,211	686,189	88,774	252,543	1,037,951	518,976
Oklahoma	1,084	28,896	125,239	23,371	58,768	237,358	118,679
Oregon	14,176	1,530	175,272	37,511	63,902	292,391	146,196
Pennsylvania	2,864	19,898	560,912	108,508	304,343	996,525	498,263
Rhode Island	160	128	40,506	6,674	31,821	79,289	39,645
South Carolina	3,647	1,961	253,776	32,995	81,929	374,308	187,154
South Dakota	415	1,367	46,600	5,951	25,102	79,435	39,718
Tennessee	1,791	3,046	347,969	47,691	140,227	540,724	270,362
Texas	7,170	176,861	847,587	269,488	612,358	1,913,464	956,732
Utah	577	9,367	145,855	63,419	82,778	301,996	150,998
Vermont	399	529	30,125	6,396	9,905	47,354	23,677
Virginia	4,137	5,093	246,208	92,833	172,962	521,233	260,617
Washington	14,288	2,040	256,728	184,141	111,530	568,727	284,364
West Virginia	741	18,534	47,318	7,105	17,440	91,138	45,569
Wisconsin	3,524	2,599	477,411	52,150	137,416	673,100	336,550
Wyoming	157	13,373	10,113	4,054	7,727	35,424	17,712
Total	168,634	508,022	12,188,330	3,634,012	6,831,897	23,330,895	11,665,448

Source: US Census Bureau, data for All Sectors: County Business Patterns.

Exhibit 6.6. Range of Estimated 2025 Employment at Risk Associated with One-Time Set-Up Costs by Industry and by State for CS3D for 50 Percent of Revenue of Core Industries

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
Alabama	161	144	7,838	856	2,165	11,163	204	182	9,929	1,085	2,742	14,142
Alaska	20	270	317	207	215	1,028	25	342	402	262	272	1,302
Arizona	57	354	5,011	1,588	5,380	12,390	72	449	6,349	2,011	6,816	15,696
Arkansas	140	90	4,721	552	1,236	6,740	177	114	5,981	700	1,566	8,539
California	977	468	33,993	23,278	19,383	78,098	1,238	593	43,064	29,490	24,555	98,940
Colorado	51	557	3,966	2,776	3,775	11,125	65	705	5,025	3,516	4,783	14,094
Connecticut	10	15	4,447	1,045	3,295	8,812	12	20	5,633	1,325	4,174	11,163
Delaware	4	8	872	226	977	2,086	5	10	1,104	286	1,238	2,643
District of Columbia	0	-	30	787	621	1,438	1	-	38	997	786	1,821
Florida	231	113	10,349	5,033	12,477	28,203	292	143	13,111	6,377	15,807	35,730
Georgia	229	153	11,813	3,685	5,682	21,562	290	193	14,966	4,669	7,198	27,316
Hawaii	7	6	304	223	601	1,141	9	7	385	282	762	1,445
Idaho	101	84	1,987	537	744	3,452	127	106	2,517	680	943	4,373
Illinois	46	169	15,658	3,374	10,452	29,698	58	214	19,836	4,274	13,241	37,624
Indiana	50	159	15,444	1,111	3,272	20,036	63	202	19,566	1,408	4,145	25,383
Iowa	73	62	6,486	926	2,925	10,472	92	79	8,218	1,173	3,705	13,266
Kansas	25	163	4,898	741	1,958	7,786	32	206	6,206	939	2,481	9,864
Kentucky	41	222	7,458	781	2,040	10,543	52	281	9,449	990	2,585	13,356
Louisiana	100	922	3,417	553	1,782	6,773	127	1,168	4,328	700	2,257	8,581
Maine	92	6	1,635	279	928	2,941	117	7	2,072	354	1,176	3,726
Maryland	36	27	3,067	1,427	3,054	7,611	46	34	3,886	1,807	3,870	9,643
Massachusetts	37	29	6,815	3,816	5,489	16,187	47	37	8,634	4,835	6,954	20,506
Michigan	126	141	17,431	1,786	5,240	24,723	160	178	22,083	2,263	6,638	31,321
Minnesota	118	142	9,371	1,695	4,819	16,145	149	180	11,872	2,147	6,105	20,454
Mississippi	131	85	4,328	317	1,021	5,882	166	107	5,484	402	1,293	7,452
Missouri	39	108	8,126	1,559	4,430	14,263	50	137	10,295	1,975	5,613	18,070
Montana	48	157	640	223	494	1,562	61	199	810	283	626	1,979
Nebraska	37	31	2,991	680	1,920	5,659	47	39	3,789	861	2,433	7,170
Nevada	9	415	1,796	598	1,376	4,194	12	526	2,276	757	1,743	5,313
New Hampshire	17	6	1,978	407	837	3,245	22	7	2,506	516	1,061	4,111
New Jersey	33	50	6,448	2,434	6,103	15,068	41	64	8,169	3,084	7,732	19,089

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
New Mexico	13	433	868	263	737	2,314	16	548	1,100	334	934	2,931
New York	83	111	12,055	9,627	15,804	37,680	105	141	15,272	12,196	20,022	47,736
North Carolina	135	100	13,681	2,638	6,486	23,040	171	127	17,332	3,342	8,216	29,189
North Dakota	11	456	814	193	529	2,002	13	578	1,031	244	670	2,536
Ohio	36	270	20,093	2,600	7,395	30,394	46	342	25,456	3,293	9,369	38,505
Oklahoma	32	846	3,667	684	1,721	6,950	40	1,072	4,646	867	2,180	8,805
Oregon	415	45	5,132	1,098	1,871	8,562	526	57	6,502	1,392	2,371	10,847
Pennsylvania	84	583	16,425	3,177	8,912	29,181	106	738	20,808	4,025	11,290	36,968
Rhode Island	5	4	1,186	195	932	2,322	6	5	1,503	248	1,180	2,941
South Carolina	107	57	7,431	966	2,399	10,961	135	73	9,414	1,224	3,039	13,886
South Dakota	12	40	1,365	174	735	2,326	15	51	1,729	221	931	2,947
Tennessee	52	89	10,189	1,397	4,106	15,834	66	113	12,909	1,769	5,202	20,059
Texas	210	5,179	24,819	7,891	17,931	56,031	266	6,561	31,443	9,997	22,717	70,984
Utah	17	274	4,271	1,857	2,424	8,843	21	347	5,411	2,353	3,071	11,203
Vermont	12	15	882	187	290	1,387	15	20	1,118	237	367	1,757
Virginia	121	149	7,210	2,718	5,065	15,263	153	189	9,134	3,444	6,416	19,336
Washington	418	60	7,518	5,392	3,266	16,654	530	76	9,524	6,831	4,137	21,098
West Virginia	22	543	1,386	208	511	2,669	27	688	1,755	264	647	3,381
Wisconsin	103	76	13,980	1,527	4,024	19,710	131	96	17,711	1,935	5,098	24,970
Wyoming	5	392	296	119	226	1,037	6	496	375	150	287	1,314
Total	4,938	14,876	356,902	106,412	200,054	683,182	6,256	18,846	452,151	134,811	253,443	865,507

Source: Exhibits 6.1 and 6.2.

Exhibit 6.7. Range of Estimated 2025 Employment at Risk Associated with Direct and Implicit Recurring Annual Costs by Industry and by State for CS3D for 50 Percent of Revenue of Core Industries

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
Alabama	2	1	77	8	21	109	85	75	4,121	450	1,138	5,869
Alaska	0	3	3	2	2	10	10	142	167	109	113	540
Arizona	1	3	49	16	53	121	30	186	2,635	835	2,829	6,514
Arkansas	1	1	46	5	12	66	74	47	2,482	290	650	3,544
California	10	5	333	228	190	765	514	246	17,872	12,239	10,191	41,062
Colorado	1	5	39	27	37	109	27	293	2,085	1,459	1,985	5,849
Connecticut	0	0	44	10	32	86	5	8	2,338	550	1,732	4,633
Delaware	0	0	9	2	10	20	2	4	458	119	514	1,097
District of Columbia	0	-	0	8	6	14	0	-	16	414	326	756
Florida	2	1	101	49	122	276	121	59	5,441	2,646	6,560	14,829
Georgia	2	1	116	36	56	211	120	80	6,211	1,938	2,987	11,337
Hawaii	0	0	3	2	6	11	4	3	160	117	316	600
Idaho	1	1	19	5	7	34	53	44	1,045	282	391	1,815
Illinois	0	2	153	33	102	291	24	89	8,232	1,774	5,495	15,615
Indiana	0	2	151	11	32	196	26	84	8,120	584	1,720	10,535
Iowa	1	1	64	9	29	103	38	33	3,410	487	1,538	5,506
Kansas	0	2	48	7	19	76	13	86	2,575	390	1,030	4,094
Kentucky	0	2	73	8	20	103	22	117	3,921	411	1,073	5,543
Louisiana	1	9	33	5	17	66	53	485	1,796	291	937	3,561
Maine	1	0	16	3	9	29	49	3	860	147	488	1,546
Maryland	0	0	30	14	30	75	19	14	1,613	750	1,606	4,002
Massachusetts	0	0	67	37	54	159	20	15	3,583	2,007	2,886	8,511
Michigan	1	1	171	17	51	242	66	74	9,165	939	2,755	12,999
Minnesota	1	1	92	17	47	158	62	75	4,927	891	2,534	8,489
Mississippi	1	1	42	3	10	58	69	44	2,276	167	537	3,093
Missouri	0	1	80	15	43	140	21	57	4,273	820	2,329	7,499
Montana	0	2	6	2	5	15	25	83	336	117	260	821
Nebraska	0	0	29	7	19	55	20	16	1,573	357	1,010	2,976
Nevada	0	4	18	6	13	41	5	218	944	314	723	2,205
New Hampshire	0	0	19	4	8	32	9	3	1,040	214	440	1,706
New Jersey	0	0	63	24	60	148	17	26	3,390	1,280	3,209	7,922

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
New Mexico	0	4	9	3	7	23	7	228	456	138	388	1,216
New York	1	1	118	94	155	369	44	59	6,338	5,061	8,309	19,811
North Carolina	1	1	134	26	64	226	71	53	7,193	1,387	3,410	12,114
North Dakota	0	4	8	2	5	20	6	240	428	101	278	1,053
Ohio	0	3	197	25	72	298	19	142	10,565	1,367	3,888	15,980
Oklahoma	0	8	36	7	17	68	17	445	1,928	360	905	3,654
Oregon	4	0	50	11	18	84	218	24	2,698	578	984	4,502
Pennsylvania	1	6	161	31	87	286	44	306	8,636	1,671	4,686	15,342
Rhode Island	0	0	12	2	9	23	2	2	624	103	490	1,221
South Carolina	1	1	73	9	24	107	56	30	3,907	508	1,261	5,763
South Dakota	0	0	13	2	7	23	6	21	717	92	386	1,223
Tennessee	1	1	100	14	40	155	28	47	5,357	734	2,159	8,325
Texas	2	51	243	77	176	549	110	2,723	13,049	4,149	9,428	29,460
Utah	0	3	42	18	24	87	9	144	2,246	976	1,274	4,650
Vermont	0	0	9	2	3	14	6	8	464	98	152	729
Virginia	1	1	71	27	50	150	64	78	3,791	1,429	2,663	8,025
Washington	4	1	74	53	32	163	220	31	3,953	2,835	1,717	8,756
West Virginia	0	5	14	2	5	26	11	285	729	109	269	1,403
Wisconsin	1	1	137	15	39	193	54	40	7,350	803	2,116	10,363
Wyoming	0	4	3	1	2	10	2	206	156	62	119	545
Total	48	146	3,496	1,042	1,960	6,692	2,596	7,821	187,651	55,949	105,184	359,201

Sources: Exhibits 6.1 and 6.2.

Exhibit 6.8. Annual Payroll of Most Vulnerable Industries by State to CS3D Directives in 2022 (in Millions of Inflation-Adjusted 2025 Dollars)

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY PAYROLL	50% OF CORE INDUSTRY PAYROLL
Alabama	327	492	18,918	2,450	7,252	29,439	14,720
Alaska	83	1,410	897	651	718	3,759	1,880
Arizona	109	1,233	14,962	5,358	17,675	39,337	19,669
Arkansas	280	260	10,247	1,639	3,790	16,216	8,108
California	1,873	2,014	116,519	198,476	111,161	430,043	215,021
Colorado	93	2,983	11,310	13,333	15,293	43,012	21,506
Connecticut	16	54	14,677	4,825	22,175	41,748	20,874
Delaware	10	32	2,383	1,011	4,391	7,827	3,914
District of Columbia	1		63	4,331	4,621	9,015	4,508
Florida	369	360	25,844	20,075	49,585	96,233	48,117
Georgia	468	441	27,243	16,616	23,579	68,348	34,174
Hawaii	15	16	573	646	1,959	3,210	1,605
Idaho	199	284	5,074	1,960	2,256	9,774	4,887
Illinois	108	532	42,618	15,200	50,279	108,737	54,368
Indiana	99	497	38,439	3,829	10,646	53,510	26,755
Iowa	187	168	16,463	2,173	10,385	29,375	14,687
Kansas	51	413	12,994	2,572	6,280	22,310	11,155
Kentucky	67	712	17,862	1,816	6,419	26,876	13,438
Louisiana	220	3,513	11,077	1,360	5,495	21,665	10,833
Maine	199	14	3,957	808	2,908	7,886	3,943
Maryland	68	75	9,094	5,758	14,610	29,605	14,802
Massachusetts	72	111	23,025	23,361	37,203	83,773	41,886
Michigan	277	457	44,147	6,207	17,921	69,008	34,504
Minnesota	228	620	25,670	6,723	21,413	54,654	27,327
Mississippi	270	248	9,346	710	2,832	13,406	6,703
Missouri	64	289	20,052	5,356	16,065	41,827	20,913
Montana	136	650	1,536	574	1,540	4,436	2,218
Nebraska	94	83	7,074	2,105	6,310	15,667	7,833
Nevada	15	1,676	5,016	2,201	4,518	13,427	6,714
New Hampshire	37	17	5,613	1,852	3,806	11,325	5,663
New Jersey	60	153	18,344	11,424	33,922	63,904	31,952

	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	CORE INDUSTRY PAYROLL	50% OF CORE INDUSTRY PAYROLL
New Mexico	28	1,602	1,944	644	2,023	6,240	3,120
New York	160	316	32,510	56,328	159,407	248,720	124,360
North Carolina	263	282	31,829	10,848	28,619	71,841	35,920
North Dakota	26	2,249	2,029	541	1,638	6,483	3,242
Ohio	55	823	50,632	7,732	27,792	87,033	43,517
Oklahoma	53	3,177	8,904	1,698	5,100	18,932	9,466
Oregon	902	127	14,908	4,443	6,974	27,353	13,676
Pennsylvania	156	2,426	42,175	12,132	35,892	92,781	46,391
Rhode Island	9	13	3,051	635	3,906	7,615	3,807
South Carolina	227	177	18,425	2,884	7,791	29,503	14,752
South Dakota	28	156	3,027	400	2,247	5,859	2,929
Tennessee	85	246	24,783	4,260	15,342	44,716	22,358
Texas	425	25,711	70,846	32,862	72,292	202,136	101,068
Utah	45	910	11,057	8,129	8,725	28,867	14,434
Vermont	22	51	2,175	607	1,149	4,003	2,002
Virginia	270	508	17,941	12,943	23,454	55,116	27,558
Washington	949	184	22,963	51,886	14,863	90,844	45,422
West Virginia	30	2,039	3,415	494	1,340	7,318	3,659
Wisconsin	217	250	35,021	6,127	16,350	57,965	28,983
Wyoming	9	1,571	904	268	714	3,466	1,733
Total	10,056	62,625	959,577	581,265	952,621	2,566,144	1,283,072

Source: US Census Bureau, data for All Sectors: County Business Patterns.

Exhibit 6.9. Range of Estimated 2025 Payroll at Risk Associated with One-Time Setup Costs by Industry and by State for CS3D for 50 Percent of Revenue of Core Industries (in Millions of Inflation-Adjusted 2025 Dollars)

	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
Alabama	10	14	554	72	212	862	12	18	702	91	269	1,092
Alaska	2	41	26	19	21	110	3	52	33	24	27	139
Arizona	3	36	438	157	518	1,152	4	46	555	199	656	1,459
Arkansas	8	8	300	48	111	475	10	10	380	61	141	602
California	55	59	3,412	5,812	3,255	12,593	69	75	4,322	7,363	4,124	15,953
Colorado	3	87	331	390	448	1,259	3	111	420	495	567	1,596
Connecticut	0	2	430	141	649	1,222	1	2	544	179	823	1,549
Delaware	0	1	70	30	129	229	0	1	88	38	163	290
District of Columbia	0	-	2	127	135	264	0	-	2	161	171	334
Florida	11	11	757	588	1,452	2,818	14	13	959	745	1,839	3,570
Georgia	14	13	798	487	690	2,001	17	16	1,011	616	875	2,536
Hawaii	0	0	17	19	57	94	1	1	21	24	73	119
Idaho	6	8	149	57	66	286	7	11	188	73	84	363
Illinois	3	16	1,248	445	1,472	3,184	4	20	1,581	564	1,865	4,034
Indiana	3	15	1,126	112	312	1,567	4	18	1,426	142	395	1,985
Iowa	5	5	482	64	304	860	7	6	611	81	385	1,090
Kansas	2	12	380	75	184	653	2	15	482	95	233	828
Kentucky	2	21	523	53	188	787	2	26	663	67	238	997
Louisiana	6	103	324	40	161	634	8	130	411	50	204	804
Maine	6	0	116	24	85	231	7	1	147	30	108	293
Maryland	2	2	266	169	428	867	3	3	337	214	542	1,098
Massachusetts	2	3	674	684	1,089	2,453	3	4	854	867	1,380	3,108
Michigan	8	13	1,293	182	525	2,021	10	17	1,638	230	665	2,560
Minnesota	7	18	752	197	627	1,600	8	23	952	249	794	2,027
Mississippi	8	7	274	21	83	393	10	9	347	26	105	497
Missouri	2	8	587	157	470	1,225	2	11	744	199	596	1,552
Montana	4	19	45	17	45	130	5	24	57	21	57	165
Nebraska	3	2	207	62	185	459	3	3	262	78	234	581
Nevada	0	49	147	64	132	393	1	62	186	82	168	498
New Hampshire	1	1	164	54	111	332	1	1	208	69	141	420



	MINIMUM RANGE OF SET-UP COSTS						MAXIMUM RANGE OF SET-UP COSTS					
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL
New Jersey	2	4	537	335	993	1,871	2	6	681	424	1,258	2,371
New Mexico	1	47	57	19	59	183	1	59	72	24	75	231
New York	5	9	952	1,649	4,668	7,283	6	12	1,206	2,090	5,914	9,227
North Carolina	8	8	932	318	838	2,104	10	10	1,181	402	1,062	2,665
North Dakota	1	66	59	16	48	190	1	83	75	20	61	241
Ohio	2	24	1,483	226	814	2,549	2	31	1,878	287	1,031	3,229
Oklahoma	2	93	261	50	149	554	2	118	330	63	189	702
Oregon	26	4	437	130	204	801	33	5	553	165	259	1,015
Pennsylvania	5	71	1,235	355	1,051	2,717	6	90	1,565	450	1,331	3,442
Rhode Island	0	0	89	19	114	223	0	0	113	24	145	282
South Carolina	7	5	540	84	228	864	8	7	683	107	289	1,094
South Dakota	1	5	89	12	66	172	1	6	112	15	83	217
Tennessee	2	7	726	125	449	1,309	3	9	919	158	569	1,659
Texas	12	753	2,075	962	2,117	5,919	16	954	2,628	1,219	2,682	7,499
Utah	1	27	324	238	255	845	2	34	410	302	324	1,071
Vermont	1	1	64	18	34	117	1	2	81	23	43	149
Virginia	8	15	525	379	687	1,614	10	19	666	480	870	2,045
Washington	28	5	672	1,519	435	2,660	35	7	852	1,925	551	3,370
West Virginia	1	60	100	14	39	214	1	76	127	18	50	271
Wisconsin	6	7	1,026	179	479	1,697	8	9	1,299	227	607	2,150
Wyoming	0	46	26	8	21	101	0	58	34	10	26	129
Total	294	1,834	28,099	17,021	27,895	75,143	373	2,323	35,597	21,563	35,339	95,196

Sources: Exhibits 6.1 and 6.2.

Exhibit 6.10. Range of Estimated 2025 Payroll at Risk Associated with Direct and Implicit Recurring Annual Costs by Industry and by State for CS3D for 50 Percent of Revenue of Core Industries (in Millions of Inflation-Adjusted 2025 Dollars)

	MINIMUM RANGE OF SET-UP COSTS							MAXIMUM RANGE OF SET-UP COSTS				
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	AGRICULTURE	MINING		
Alabama	0	0	5	1	2	8	5	8	291	38	112	453
Alaska	0	0	0	0	0	1	1	22	14	10	11	58
Arizona	0	0	4	2	5	11	2	19	230	82	272	606
Arkansas	0	0	3	0	1	5	4	4	158	25	58	250
California	1	1	33	57	32	123	29	31	1,794	3,056	1,711	6,621
Colorado	0	1	3	4	4	12	1	46	174	205	235	662
Connecticut	0	0	4	1	6	12	0	1	226	74	341	643
Delaware	0	0	1	0	1	2	0	0	37	16	68	121
District of Columbia	0		0	1	1	3	0	-	1	67	71	139
Florida	0	0	7	6	14	28	6	6	398	309	763	1,482
Georgia	0	0	8	5	7	20	7	7	419	256	363	1,052
Hawaii	0	0	0	0	1	1	0	0	9	10	30	49
Idaho	0	0	1	1	1	3	3	4	78	30	35	150
Illinois	0	0	12	4	14	31	2	8	656	234	774	1,674
Indiana	0	0	11	1	3	15	2	8	592	59	164	824
Iowa	0	0	5	1	3	8	3	3	253	33	160	452
Kansas	0	0	4	1	2	6	1	6	200	40	97	343
Kentucky	0	0	5	1	2	8	1	11	275	28	99	414
Louisiana	0	1	3	0	2	6	3	54	171	21	85	334
Maine	0	0	1	0	1	2	3	0	61	12	45	121
Maryland	0	0	3	2	4	8	1	1	140	89	225	456
Massachusetts	0	0	7	7	11	24	1	2	354	360	573	1,290
Michigan	0	0	13	2	5	20	4	7	680	96	276	1,062
Minnesota	0	0	7	2	6	16	4	10	395	104	330	841
Mississippi	0	0	3	0	1	4	4	4	144	11	44	206
Missouri	0	0	6	2	5	12	1	4	309	82	247	644
Montana	0	0	0	0	0	1	2	10	24	9	24	68
Nebraska	0	0	2	1	2	4	1	1	109	32	97	241
Nevada	0	0	1	1	1	4	0	26	77	34	70	207
New Hampshire	0	0	2	1	1	3	1	0	86	29	59	174
New Jersey	0	0	5	3	10	18	1	2	282	176	522	984



	MINIMUM RANGE OF SET-UP COSTS							MAXIMUM RANGE OF SET-UP COSTS				
	AGRICULTURE	MINING	MANUFACTURING	INFORMATION	FINANCE	TOTAL	AGRICULTURE	MINING	AGRICULTURE	MINING		
New Mexico	0	0	1	0	1	2	0	25	30	10	31	96
New York	0	0	9	16	46	71	2	5	501	867	2,454	3,829
North Carolina	0	0	9	3	8	21	4	4	490	167	441	1,106
North Dakota	0	1	1	0	0	2	0	35	31	8	25	100
Ohio	0	0	15	2	8	25	1	13	780	119	428	1,340
Oklahoma	0	1	3	0	1	5	1	49	137	26	79	291
Oregon	0	0	4	1	2	8	14	2	230	68	107	421
Pennsylvania	0	1	12	3	10	27	2	37	649	187	553	1,428
Rhode Island	0	0	1	0	1	2	0	0	47	10	60	117
South Carolina	0	0	5	1	2	8	3	3	284	44	120	454
South Dakota	0	0	1	0	1	2	0	2	47	6	35	90
Tennessee	0	0	7	1	4	13	1	4	382	66	236	688
Texas	0	7	20	9	21	58	7	396	1,091	506	1,113	3,112
Utah	0	0	3	2	3	8	1	14	170	125	134	444
Vermont	0	0	1	0	0	1	0	1	33	9	18	62
Virginia	0	0	5	4	7	16	4	8	276	199	361	849
Washington	0	0	7	15	4	26	15	3	354	799	229	1,399
West Virginia	0	1	1	0	0	2	0	31	53	8	21	113
Wisconsin	0	0	10	2	5	17	3	4	539	94	252	892
Wyoming	0	0	0	0	0	1	0	24	14	4	11	53
Total	3	18	275	167	273	736	155	964	14,774	8,949	14,667	39,508

Sources: Exhibits 6.1 and 6.2.

Appendix A. Employment Characteristics of Small Businesses (Fewer than 500 Employees) by State

The Number of Firms and Establishments, Employment, Annual Payroll, and Receipts by State, Industry, and Enterprise

Employment Size: 2022, Fewer than 500 Employees

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Alabama	Total	75,382	82,357	816,850	\$38,921,973	\$219,682,781
Alabama	Agriculture, Forestry, Fishing and Hunting	747	754	5,312	\$272,704	\$1,455,718
Alabama	Mining, Quarrying, and Oil and Gas Extraction	114	121	1,770	\$137,776	\$816,155
Alabama	Manufacturing	3,257	3,371	82,726	\$4,304,364	\$31,019,257
Alabama	Information	729	808	8,706	\$557,506	\$1,917,531
Alabama	Finance and Insurance	2,831	3,941	24,413	\$1,620,894	\$5,637,550
Alaska	Total	17,343	18,991	139,534	\$8,381,682	\$35,712,762
Alaska	Agriculture, Forestry, Fishing and Hunting	493	499	506	\$52,630	\$347,168
Alaska	Mining, Quarrying, and Oil and Gas Extraction	105	106	1,386	\$201,668	\$1,233,294
Alaska	Manufacturing	465	487	4,328	\$288,734	\$1,877,054
Alaska	Information	177	223	1,772	\$119,467	\$497,609
Alaska	Finance and Insurance	344	412	2,644	\$190,019	\$586,735
Arizona	Total	121,389	129,426	1,186,389	\$61,567,062	\$291,180,507
Arizona	Agriculture, Forestry, Fishing and Hunting	211	214	1,910	\$94,716	\$500,403
Arizona	Mining, Quarrying, and Oil and Gas Extraction	145	150	1,985	\$150,782	\$1,619,444
Arizona	Manufacturing	3,814	3,913	69,482	\$3,851,648	\$20,016,733
Arizona	Information	1,426	1,517	16,616	\$1,439,359	\$4,566,677
Arizona	Finance and Insurance	5,534	6,008	31,700	\$2,622,145	\$11,439,042
Arkansas	Total	51,109	56,131	501,512	\$21,908,717	\$121,930,935
Arkansas	Agriculture, Forestry, Fishing and Hunting	602	611	4,166	\$192,826	\$937,746
Arkansas	Mining, Quarrying, and Oil and Gas Extraction	210	221	2,133	\$156,433	\$875,702
Arkansas	Manufacturing	1,922	2,007	41,497	\$2,050,861	\$12,962,522

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Arkansas	Information	468	543	5,474	\$365,631	\$963,053
Arkansas	Finance and Insurance	2,339	3,044	17,727	\$1,150,395	\$4,953,756
California	Total	837,834	890,157	7,595,688	\$497,789,174	\$2,446,653,600
California	Agriculture, Forestry, Fishing and Hunting	2,030	2,068	22,507	\$1,242,786	\$8,213,079
California	Mining, Quarrying, and Oil and Gas Extraction	441	462	6,726	\$674,175	\$3,772,708
California	Manufacturing	32,106	33,009	561,697	\$37,651,930	\$188,186,853
California	Information	20,204	20,938	192,459	\$25,770,417	\$77,817,224
California	Finance and Insurance	29,915	32,713	197,209	\$25,404,272	\$96,474,265
Colorado	Total	146,901	154,263	1,206,660	\$70,715,182	\$326,840,390
Colorado	Agriculture, Forestry, Fishing and Hunting	345	345	1,703	\$77,797	\$419,870
Colorado	Mining, Quarrying, and Oil and Gas Extraction	768	797	9,950	\$1,339,092	\$8,661,720
Colorado	Manufacturing	4,536	4,650	64,579	\$3,949,526	\$19,398,611
Colorado	Information	2,145	2,237	22,233	\$2,042,864	\$6,936,156
Colorado	Finance and Insurance	6,417	6,887	33,759	\$3,216,738	\$12,561,299
Connecticut	Total	68,418	73,171	726,097	\$45,521,487	\$218,666,176
Connecticut	Agriculture, Forestry, Fishing and Hunting	74	74	325	\$14,040	\$64,690
Connecticut	Mining, Quarrying, and Oil and Gas Extraction	37	40	340	\$27,732	\$141,335
Connecticut	Manufacturing	3,358	3,437	69,886	\$4,754,253	\$20,289,893
Connecticut	Information	910	948	8,975	\$721,531	\$2,314,093
Connecticut	Finance and Insurance	2,912	3,418	28,800	\$5,753,540	\$20,221,705
Delaware	Total	22,816	23,990	214,539	\$13,023,421	\$61,184,961
Delaware	Agriculture, Forestry, Fishing and Hunting	35	35	130	\$8,602	\$33,791
Delaware	Mining, Quarrying, and Oil and Gas Extraction	16	16	128	\$10,559	\$43,419
Delaware	Manufacturing	523	532	9,318	\$565,272	\$3,006,909
Delaware	Information	653	669	4,818	\$628,391	\$1,628,183

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Delaware	Finance and Insurance	1,058	1,166	7,132	\$812,129	\$3,173,077
Florida	Total	517,775	539,983	3,813,075	\$196,474,688	\$1,053,387,076
Florida	Agriculture, Forestry, Fishing and Hunting	1,217	1,239	6,805	\$283,133	\$1,590,037
Florida	Mining, Quarrying, and Oil and Gas Extraction	166	179	1,698	\$119,738	\$717,958
Florida	Manufacturing	12,426	12,688	180,001	\$9,968,420	\$52,011,4620
Florida	Information	6,193	6,571	45,101	\$3,874,694	\$13,980,995
Florida	Finance and Insurance	21,427	22,902	117,308	\$10,514,315	\$42,397,136
Georgia	Total	199,431	210,491	1,806,632	\$94,151,658	\$543,208,686
Georgia	Agriculture, Forestry, Fishing and Hunting	914	927	6,573	\$345,812	\$2,073,858
Georgia	Mining, Quarrying, and Oil and Gas Extraction	86	94	1,055	\$71,758	\$409,166
Georgia	Manufacturing	6,273	6,521	135,449	\$7,364,022	\$47,838,124
Georgia	Information	2,808	2,888	32,409	\$3,103,008	\$10,685,485
Georgia	Finance and Insurance	8,067	9,295	52,530	\$4,523,149	\$23,451,487
Hawaii	Total	24,728	27,409	251,556	\$12,753,857	\$55,906,834
Hawaii	Agriculture, Forestry, Fishing and Hunting	40	40	236	\$13,224	\$26,944
Hawaii	Mining, Quarrying, and Oil and Gas Extraction	7	7	159	\$11,764	\$63,905
Hawaii	Manufacturing	698	710	8,594	\$405,947	\$2,004,517
Hawaii	Information	267	283	1,671	\$111,285	\$355,931
Hawaii	Finance and Insurance	697	898	7,577	\$549,342	\$3,375,625
Idaho	Total	46,756	49,750	386,078	\$17,296,645	\$95,460,607
Idaho	Agriculture, Forestry, Fishing and Hunting	509	512	3,378	\$170,875	\$979,061
Idaho	Mining, Quarrying, and Oil and Gas Extraction	105	108	2,102	\$172,308	\$681,734
Idaho	Manufacturing	1,869	1,902	31,017	\$1,537,195	\$9,552,977
Idaho	Information	471	503	5,119	\$373,070	\$1,271,534
Idaho	Finance and Insurance	1,610	1,932	9,471	\$605,996	\$2,559,219
Illinois	Total	253,302	269,798	2,420,971	\$146,838,198	\$767,516,610

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Illinois	Agriculture, Forestry, Fishing and Hunting	283	295	1,175	\$67,354	\$374,234
Illinois	Mining, Quarrying, and Oil and Gas Extraction	340	356	3,141	\$227,837	\$1,284,336
Illinois	Manufacturing	10,604	11,011	239,226	\$15,249,491	\$90,760,173
Illinois	Information	2,985	3,191	38,565	\$3,464,398	\$11,090,218
Illinois	Finance and Insurance	11,053	12,967	93,395	\$11,555,318	\$45,478,681
Indiana	Total	110,750	121,338	1,241,838	\$59,400,647	\$322,613,008
Indiana	Agriculture, Forestry, Fishing and Hunting	288	292	1,262	\$62,746	\$429,068
Indiana	Mining, Quarrying, and Oil and Gas Extraction	130	153	1,912	\$125,915	\$641,800
Indiana	Manufacturing	6,223	6,512	166,240	\$9,038,650	\$53,767,232
Indiana	Information	971	1,104	11,453	\$740,016	\$2,306,168
Indiana	Finance and Insurance	4,483	5,676	36,817	\$2,652,217	\$10,829,135
Iowa	Total	61,829	69,449	637,557	\$30,582,757	\$183,551,223
Iowa	Agriculture, Forestry, Fishing and Hunting	351	382	1,906	\$123,600	\$811,951
Iowa	Mining, Quarrying, and Oil and Gas Extraction	52	107	1,363	\$99,118	\$449,841
Iowa	Manufacturing	2,539	2,721	63,955	\$3,570,866	\$26,467,641
Iowa	Information	776	933	9,179	\$554,225	\$2,094,710
Iowa	Finance and Insurance	3,199	4,369	28,456	\$2,064,524	\$14,152,176
Kansas	Total	56,401	62,009	599,134	\$28,864,692	\$160,496,234
Kansas	Agriculture, Forestry, Fishing and Hunting	184	187	855	\$45,604	\$366,123
Kansas	Mining, Quarrying, and Oil and Gas Extraction	747	758	4,705	\$298,146	\$1,516,665
Kansas	Manufacturing	2,156	2,269	57,373	\$3,252,706	\$18,575,848
Kansas	Information	659	797	8,358	\$548,442	\$1,789,979
Kansas	Finance and Insurance	3,182	4,140	28,245	\$2,068,019	\$9,650,948
Kentucky	Total	65,803	72,241	710,613	\$32,064,395	\$182,416,604
Kentucky	Agriculture, Forestry, Fishing and Hunting	244	245	1,392	\$59,226	\$306,361

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Kentucky	Mining, Quarrying, and Oil and Gas Extraction	226	244	4,200	\$317,496	\$1,786,514
Kentucky	Manufacturing	2,759	2,902	74,494	\$4,060,880	\$27,530,366
Kentucky	Information	702	865	8,331	\$449,075	\$1,756,819
Kentucky	Finance and Insurance	2,860	3,822	24,917	\$1,554,656	\$6,203,038
Louisiana	Total	81,011	88,797	889,431	\$43,791,788	\$254,276,617
Louisiana	Agriculture, Forestry, Fishing and Hunting	516	518	2,856	\$156,544	\$816,358
Louisiana	Mining, Quarrying, and Oil and Gas Extraction	923	971	13,964	\$1,289,918	\$6,985,579
Louisiana	Manufacturing	2,485	2,634	51,990	\$3,358,811	\$37,346,524
Louisiana	Information	657	716	5,588	\$345,637	\$1,471,558
Louisiana	Finance and Insurance	3,699	5,050	31,092	\$2,158,468	\$8,204,457
Maine	Total	34,292	37,372	290,518	\$14,613,173	\$68,344,482
Maine	Agriculture, Forestry, Fishing and Hunting	971	978	3,094	\$171,513	\$935,307
Maine	Mining, Quarrying, and Oil and Gas Extraction	25	25	196	\$12,236	\$50,888
Maine	Manufacturing	1,502	1,550	25,033	\$1,392,242	\$7,041,276
Maine	Information	456	491	3,934	\$212,129	\$640,064
Maine	Finance and Insurance	783	1,228	11,040	\$891,341	\$3,128,206
Maryland	Total	110,383	117,420	1,167,051	\$69,811,429	\$294,126,896
Maryland	Agriculture, Forestry, Fishing and Hunting	205	205	643	\$29,206	\$158,786
Maryland	Mining, Quarrying, and Oil and Gas Extraction	29	36	564	\$39,133	\$366,054
Maryland	Manufacturing	2,480	2,541	45,260	\$2,649,996	\$13,330,531
Maryland	Information	1,313	1,371	17,011	\$1,596,060	\$4,825,792
Maryland	Finance and Insurance	3,690	4,256	31,866	\$3,742,680	\$14,524,986
Massachusetts	Total	143,964	153,026	1,516,837	\$109,572,729	\$451,083,382
Massachusetts	Agriculture, Forestry, Fishing and Hunting	351	351	1,265	\$63,084	\$308,766
Massachusetts	Mining, Quarrying, and Oil and Gas Extraction	65	72	758	\$63,754	\$272,112
Massachusetts	Manufacturing	5,287	5,422	114,742	\$8,533,060	\$39,035,208

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Massachusetts	Information	2,143	2,205	32,957	\$3,914,634	\$11,087,081
Massachusetts	Finance and Insurance	4,593	5,714	52,128	\$9,069,019	\$28,124,943
Michigan	Total	173,653	188,305	1,879,244	\$98,332,116	\$494,358,883
Michigan	Agriculture, Forestry, Fishing and Hunting	637	640	4,196	\$237,866	\$1,166,347
Michigan	Mining, Quarrying, and Oil and Gas Extraction	250	271	2,733	\$229,779	\$1,714,089
Michigan	Manufacturing	10,282	10,858	256,182	\$15,444,320	\$77,577,707
Michigan	Information	2,161	2,351	22,229	\$1,646,321	\$5,569,605
Michigan	Finance and Insurance	6,520	8,036	57,030	\$4,170,841	\$15,085,225
Minnesota	Total	118,083	129,107	1,252,842	\$67,912,942	\$345,794,839
Minnesota	Agriculture, Forestry, Fishing and Hunting	557	576	2,842	\$144,758	\$896,919
Minnesota	Mining, Quarrying, and Oil and Gas Extraction	117	123	884	\$105,301	\$402,925
Minnesota	Manufacturing	5,650	5,890	130,620	\$8,498,931	\$43,880,142
Minnesota	Information	1,451	1,574	18,814	\$1,499,376	\$4,532,543
Minnesota	Finance and Insurance	5,569	6,754	44,125	\$4,125,300	\$19,690,231
Mississippi	Total	43,596	47,712	444,113	\$18,235,704	\$106,546,812
Mississippi	Agriculture, Forestry, Fishing and Hunting	606	608	3,995	\$205,038	\$1,151,918
Mississippi	Mining, Quarrying, and Oil and Gas Extraction	216	222	2,019	\$142,715	\$695,946
Mississippi	Manufacturing	1,522	1,595	41,221	\$1,900,615	\$13,065,401
Mississippi	Information	307	389	3,129	\$131,017	\$476,112
Mississippi	Finance and Insurance	1,986	2,844	14,578	\$833,287	\$3,258,482
Missouri	Total	114,694	123,830	1,139,031	\$55,067,015	\$286,838,431
Missouri	Agriculture, Forestry, Fishing and Hunting	312	313	1,214	\$49,725	\$446,341
Missouri	Mining, Quarrying, and Oil and Gas Extraction	138	168	2,159	\$136,098	\$676,364
Missouri	Manufacturing	4,541	4,748	98,346	\$5,507,391	\$32,302,931
Missouri	Information	1,155	1,266	13,334	\$894,026	\$3,083,728
Missouri	Finance and Insurance	5,170	6,315	40,375	\$2,893,480	\$11,797,657

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Montana	Total	35,077	37,365	264,567	\$12,154,224	\$64,817,943
Montana	Agriculture, Forestry, Fishing and Hunting	333	340	1,221	\$91,294	\$426,074
Montana	Mining, Quarrying, and Oil and Gas Extraction	285	289	2,575	\$241,891	\$2,253,469
Montana	Manufacturing	1,315	1,338	15,231	\$789,227	\$4,347,478
Montana	Information	352	394	3,549	\$241,053	\$849,358
Montana	Finance and Insurance	1,120	1,348	7,615	\$501,614	\$1,853,956
Nebraska	Total	43,375	47,651	422,756	\$20,365,565	\$114,954,123
Nebraska	Agriculture, Forestry, Fishing and Hunting	187	197	884	\$52,209	\$386,316
Nebraska	Mining, Quarrying, and Oil and Gas Extraction	86	87	639	\$42,775	\$189,136
Nebraska	Manufacturing	1,375	1,444	29,987	\$1,675,396	\$13,030,383
Nebraska	Information	442	526	6,360	\$444,435	\$1,420,673
Nebraska	Finance and Insurance	2,346	3,057	18,186	\$1,341,290	\$5,760,261
Nevada	Total	59,092	62,733	578,767	\$29,753,410	\$139,073,685
Nevada	Agriculture, Forestry, Fishing and Hunting	58	58	315	\$13,582	\$59,543
Nevada	Mining, Quarrying, and Oil and Gas Extraction	157	162	3,774	\$377,304	\$1,517,849
Nevada	Manufacturing	1,786	1,807	28,948	\$1,634,656	\$9,237,611
Nevada	Information	1,050	1,083	8,675	\$699,602	\$2,905,236
Nevada	Finance and Insurance	2,619	2,869	13,303	\$1,116,489	\$3,586,759
New Hampshire	Total	30,411	32,562	309,420	\$17,984,247	\$79,057,315
New Hampshire	Agriculture, Forestry, Fishing and Hunting	127	128	584	\$33,177	\$163,853
New Hampshire	Mining, Quarrying, and Oil and Gas Extraction	29	30	188	\$15,246	\$77,453
New Hampshire	Manufacturing	1,525	1,565	31,431	\$2,031,405	\$8,633,958
New Hampshire	Information	379	411	5,296	\$462,286	\$1,404,212
New Hampshire	Finance and Insurance	827	1,102	8,917	\$858,297	\$3,096,940

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
New Jersey	Total	194,859	203,427	1,861,009	\$111,706,230	\$594,671,745
New Jersey	Agriculture, Forestry, Fishing and Hunting	208	208	1,098	\$52,824	\$367,941
New Jersey	Mining, Quarrying, and Oil and Gas Extraction	50	57	967	\$92,893	\$464,361
New Jersey	Manufacturing	6,351	6,504	130,102	\$8,366,804	\$45,859,956
New Jersey	Information	2,061	2,140	22,090	\$2,177,020	\$7,507,233
New Jersey	Finance and Insurance	5,622	6,354	45,206	\$4,956,360	\$22,269,471
New Mexico	Total	33,556	36,303	340,706	\$15,515,295	\$67,458,045
New Mexico	Agriculture, Forestry, Fishing and Hunting	111	113	427	\$24,426	\$169,984
New Mexico	Mining, Quarrying, and Oil and Gas Extraction	490	515	9,042	\$717,805	\$3,239,319
New Mexico	Manufacturing	1,192	1,208	15,670	\$808,301	\$4,366,333
New Mexico	Information	383	436	3,488	\$198,818	\$809,742
New Mexico	Finance and Insurance	1,181	1,495	9,881	\$705,766	\$2,798,114
New York	Total	455,479	476,132	3,932,389	\$256,162,368	\$1,232,274,254
New York	Agriculture, Forestry, Fishing and Hunting	585	588	2,679	\$131,411	\$699,377
New York	Mining, Quarrying, and Oil and Gas Extraction	204	224	2,795	\$219,244	\$917,424
New York	Manufacturing	12,688	12,983	222,391	\$13,193,446	\$67,072,385
New York	Information	8,482	8,719	77,374	\$8,226,449	\$29,125,189
New York	Finance and Insurance	14,129	15,962	131,643	\$30,589,861	\$106,950,050
North Carolina	Total	192,951	206,680	1,815,569	\$87,605,826	\$469,835,432
North Carolina	Agriculture, Forestry, Fishing and Hunting	793	803	4,362	\$214,830	\$1,229,058
North Carolina	Mining, Quarrying, and Oil and Gas Extraction	93	105	1,863	\$135,594	\$628,662
North Carolina	Manufacturing	6,914	7,231	155,318	\$7,933,275	\$46,096,402
North Carolina	Information	2,029	2,183	22,874	\$2,061,995	\$6,909,492
North Carolina	Finance and Insurance	6,549	7,533	38,116	\$3,290,638	\$24,754,970
North Dakota	Total	19,113	21,334	197,212	\$10,702,496	\$72,663,949

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
North Dakota	Agriculture, Forestry, Fishing and Hunting	108	108	281	\$16,911	\$157,251
North Dakota	Mining, Quarrying, and Oil and Gas Extraction	402	425	7,211	\$950,040	\$8,670,432
North Dakota	Manufacturing	543	582	11,877	\$677,652	\$6,322,258
North Dakota	Information	214	237	3,132	\$201,830	\$721,137
North Dakota	Finance and Insurance	937	1,284	7,116	\$517,662	\$2,054,648
Ohio	Total	182,841	201,035	2,175,029	\$107,350,687	\$549,134,354
Ohio	Agriculture, Forestry, Fishing and Hunting	316	317	1,161	\$43,166	\$264,115
Ohio	Mining, Quarrying, and Oil and Gas Extraction	430	492	4,699	\$318,014	\$2,347,709
Ohio	Manufacturing	10,838	11,450	280,431	\$16,556,656	\$94,891,279
Ohio	Information	1,772	1,952	23,031	\$1,750,174	\$5,074,336
Ohio	Finance and Insurance	7,364	8,915	55,935	\$4,573,735	\$17,725,978
Oklahoma	Total	72,456	79,011	706,906	\$32,815,308	\$184,998,572
Oklahoma	Agriculture, Forestry, Fishing and Hunting	191	191	1,067	\$45,651	\$258,611
Oklahoma	Mining, Quarrying, and Oil and Gas Extraction	1,935	1,989	17,734	\$1,596,100	\$17,953,241
Oklahoma	Manufacturing	2,649	2,776	50,235	\$2,803,311	\$14,678,436
Oklahoma	Information	675	783	7,861	\$465,630	\$1,788,450
Oklahoma	Finance and Insurance	3,727	4,740	28,476	\$1,871,514	\$8,194,741
Oregon	Total	96,969	105,268	889,528	\$46,486,575	\$213,476,017
Oregon	Agriculture, Forestry, Fishing and Hunting	1,307	1,324	12,341	\$689,332	\$2,710,996
Oregon	Mining, Quarrying, and Oil and Gas Extraction	93	94	790	\$49,930	\$215,446
Oregon	Manufacturing	4,637	4,781	82,424	\$4,771,492	\$24,597,994
Oregon	Information	1,401	1,521	15,371	\$1,337,042	\$4,227,682
Oregon	Finance and Insurance	3,011	3,508	20,648	\$1,719,829	\$7,214,594
Pennsylvania	Total	230,244	249,282	2,526,466	\$133,109,039	\$676,942,838
Pennsylvania	Agriculture, Forestry, Fishing and Hunting	582	583	2,858	\$137,126	\$731,024

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Pennsylvania	Mining, Quarrying, and Oil and Gas Extraction	653	715	10,405	\$912,795	\$11,787,971
Pennsylvania	Manufacturing	11,060	11,624	259,018	\$15,293,917	\$96,892,786
Pennsylvania	Information	2,527	2,803	33,374	\$2,443,685	\$7,912,135
Pennsylvania	Finance and Insurance	8,461	10,162	71,636	\$6,604,934	\$28,738,398
Rhode Island	Total	23,791	25,032	224,480	\$11,785,630	\$51,712,988
Rhode Island	Agriculture, Forestry, Fishing and Hunting	39	39	160	\$8,348	\$43,978
Rhode Island	Mining, Quarrying, and Oil and Gas Extraction	12	12	121	\$9,191	\$43,504
Rhode Island	Manufacturing	1,095	1,115	21,136	\$1,225,873	\$6,606,808
Rhode Island	Information	242	254	2,249	\$137,638	\$416,998
Rhode Island	Finance and Insurance	649	769	5,903	\$563,673	\$2,025,576
South Carolina	Total	90,365	96,948	863,326	\$39,236,068	\$213,853,519
South Carolina	Agriculture, Forestry, Fishing and Hunting	534	548	3,506	\$186,153	\$938,796
South Carolina	Mining, Quarrying, and Oil and Gas Extraction	44	45	394	\$29,032	\$146,224
South Carolina	Manufacturing	3,079	3,171	75,746	\$4,142,761	\$27,267,194
South Carolina	Information	785	848	8,296	\$627,313	\$2,163,161
South Carolina	Finance and Insurance	3,366	4,272	22,544	\$1,653,964	\$5,720,317
South Dakota	Total	22,742	25,047	216,705	\$10,005,056	\$63,873,828
South Dakota	Agriculture, Forestry, Fishing and Hunting	148	153	415	\$24,607	\$217,096
South Dakota	Mining, Quarrying, and Oil and Gas Extraction	47	58	557	\$44,862	\$161,184
South Dakota	Manufacturing	833	880	18,622	\$997,604	\$8,944,283
South Dakota	Information	239	307	3,339	\$174,431	\$869,719
South Dakota	Finance and Insurance	1,146	1,474	9,909	\$743,042	\$3,251,011
Tennessee	Total	103,856	113,603	1,182,437	\$60,800,616	\$316,064,728
Tennessee	Agriculture, Forestry, Fishing and Hunting	217	220	1,229	\$68,118	\$432,790
Tennessee	Mining, Quarrying, and Oil and Gas Extraction	72	96	1,796	\$127,720	\$689,794

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Tennessee	Manufacturing	4,603	4,777	111,019	\$6,035,736	\$35,388,158
Tennessee	Information	1,557	1,664	16,960	\$1,304,188	\$4,562,423
Tennessee	Total	103,856	113,603	1,182,437	\$60,800,616	\$316,064,728
Texas	Total	493,818	531,206	5,108,008	\$281,183,777	\$1,799,056,774
Texas	Agriculture, Forestry, Fishing and Hunting	1,107	1,136	5,825	\$292,764	\$1,819,760
Texas	Mining, Quarrying, and Oil and Gas Extraction	5,575	5,996	86,005	\$9,322,532	\$69,385,639
Texas	Manufacturing	17,185	17,835	333,744	\$19,891,870	\$121,314,827
Texas	Information	5,881	6,302	69,507	\$6,281,298	\$20,438,871
Texas	Finance and Insurance	21,556	25,543	159,508	\$14,912,744	\$61,222,937
Utah	Total	76,760	80,799	690,069	\$35,341,753	\$182,145,828
Utah	Agriculture, Forestry, Fishing and Hunting	109	109	562	\$39,200	\$147,366
Utah	Mining, Quarrying, and Oil and Gas Extraction	341	346	4,791	\$406,199	\$3,463,892
Utah	Manufacturing	3,183	3,241	57,078	\$3,070,973	\$16,189,465
Utah	Information	1,291	1,321	18,512	\$1,699,825	\$5,454,527
Utah	Finance and Insurance	3,543	3,901	25,869	\$2,157,177	\$8,701,730
Vermont	Total	17,019	18,292	157,959	\$7,961,484	\$37,109,924
Vermont	Agriculture, Forestry, Fishing and Hunting	132	132	399	\$19,605	\$102,362
Vermont	Mining, Quarrying, and Oil and Gas Extraction	41	45	378	\$29,277	\$126,345
Vermont	Manufacturing	908	947	16,994	\$926,111	\$4,397,683
Vermont	Information	297	312	3,180	\$195,049	\$567,579
Vermont	Finance and Insurance	352	528	5,498	\$465,020	\$2,524,337
Virginia	Total	157,804	168,938	1,602,868	\$93,120,452	\$388,614,330
Virginia	Agriculture, Forestry, Fishing and Hunting	624	631	3,850	\$229,817	\$1,324,010
Virginia	Mining, Quarrying, and Oil and Gas Extraction	128	157	2,096	\$164,389	\$1,385,623

STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Virginia	Manufacturing	4,078	4,256	78,471	\$4,137,059	\$22,797,869
Virginia	Information	1,901	2,063	27,985	\$2,793,383	\$8,904,579
Virginia	Finance and Insurance	5,145	6,253	39,869	\$3,996,279	\$15,668,356
Washington	Total	162,014	172,992	1,451,617	\$87,591,355	\$390,455,039
Washington	Agriculture, Forestry, Fishing and Hunting	1,303	1,320	11,831	\$706,096	\$3,425,250
Washington	Mining, Quarrying, and Oil and Gas Extraction	109	133	1,528	\$112,135	\$543,227
Washington	Manufacturing	5,848	6,054	104,913	\$6,635,075	\$30,344,607
Washington	Information	2,354	2,450	27,537	\$3,283,116	\$9,853,505
Washington	Finance and Insurance	4,854	5,643	35,225	\$3,487,286	\$13,358,612
West Virginia	Total	24,376	27,253	256,281	\$10,767,185	\$53,158,224
West Virginia	Agriculture, Forestry, Fishing and Hunting	214	215	715	\$24,911	\$149,953
West Virginia	Mining, Quarrying, and Oil and Gas Extraction	334	347	5,299	\$430,486	\$3,446,795
West Virginia	Manufacturing	849	908	17,671	\$914,054	\$6,074,017
West Virginia	Information	193	244	2,156	\$85,207	\$336,843
West Virginia	Finance and Insurance	921	1,227	7,536	\$403,865	\$1,534,739
Wisconsin	Total	107,594	118,322	1,247,875	\$61,856,048	\$320,495,484
Wisconsin	Agriculture, Forestry, Fishing and Hunting	509	513	2,073	\$98,769	\$600,659
Wisconsin	Mining, Quarrying, and Oil and Gas Extraction	112	133	1,827	\$155,672	\$745,042
Wisconsin	Manufacturing	6,692	7,148	206,231	\$12,327,263	\$70,716,645
Wisconsin	Information	935	1,148	11,712	\$830,476	\$2,633,865
Wisconsin	Finance and Insurance	4,209	5,518	41,287	\$3,203,802	\$13,999,165
Wyoming	Total	19,173	20,304	135,636	\$6,844,060	\$35,185,878
Wyoming	Agriculture, Forestry, Fishing and Hunting	82	82	130	\$6,144	\$42,858
Wyoming	Mining, Quarrying, and Oil and Gas Extraction	434	453	5,104	\$460,132	\$2,867,323
Wyoming	Manufacturing	518	533	5,892	\$337,030	\$2,040,617



STATE NAME	NAICS DESCRIPTION	FIRMS	ESTABLISHMENTS	EMPLOYMENT	ANNUAL PAYROLL (\$1,000)	RECEIPTS (\$1,000)
Wyoming	Information	309	365	2,402	\$139,114	\$503,882
Wyoming	Finance and Insurance	684	825	4,709	\$341,585	\$2,389,587
District of Columbia	Total	17,536	18,420	259,181	\$23,251,634	\$80,307,244
District of Columbia	Agriculture, Forestry, Fishing and Hunting	3	3	15	\$645	\$3,550
District of Columbia	Manufacturing	93	95	834	\$47,250	\$164,903
District of Columbia	Information	463	476	8,889	\$1,090,212	\$2,999,649
District of Columbia	Finance and Insurance	393	436	4,574	\$796,216	\$3,782,098

Source: US Census Bureau, data for All Sectors: County Business Patterns. Note: For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <http://www.census.gov/programs-surveys/susb/technical-documentation/methodology.html> and <http://www.census.gov/programs-surveys/susb/about/glossary.html>. The Census Bureau has reviewed this data product to ensure appropriate access, use, and disclosure avoidance protection of the confidential source data (Project No. 7504501, Disclosure Review Board (DRB) approval number: CBDRB-FY25-0227).

Endnotes

- 1 Proposal for a Directive of the European Parliament and of the Council Amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as Regards Certain Corporate Sustainability Reporting and Due Diligence Requirements, COM (2025) 81 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025PC0081>, referred to hereafter as “December 2025 amendments”; European Parliament, “Simplified Sustainability Reporting and Due Diligence Rules for Businesses,” press release, December 16, 2025, <https://www.europarl.europa.eu/news/en/press-room/20251211IPR32164/simplified-sustainability-reporting-and-due-diligence-rules-for-businesses>.
- 2 The estimates for the annual costs of CSRD and CS3D to American firms are at least in the billions of dollars annually and could easily be in the hundreds of billions of dollars annually. By way of comparison, in 2023, Nicole V. Crain and W. Mark Craine estimated the annual compliance cost of US federal environmental regulations at \$588 billion. “The Cost of Federal Regulation to the US Economy, Manufacturing and Small Business,” National Association of Manufacturers, 2023, 23, <https://www.nam.org/wp-content/uploads/2023/11/NAM-3731-Crains-Study-R3-V2-FIN.pdf>.

Further, the estimated annual costs of compliance with two major financial regulations in the United States are \$19 billion for Sarbanes Oxley and \$50 billion for Dodd Frank. For Sarbanes Oxley, see Anwer S. Ahmed, Mary Lea McAnally, Stephanie Rasmussen, and Connie D. Weaver, “How Costly Is the Sarbanes Oxley Act? Evidence on the Effects of the Act on Corporate Profitability,” *Journal of Corporate Finance* 16, no. 3 (June 2010): 352–69, <https://www.sciencedirect.com/science/article/abs/pii/S0929119909000765>. For Dodd Frank, see Thomas Hogan, “Costs of Compliance with the Dodd-Frank Act,” Baker Institute, September 6, 2019, <https://www.bakerinstitute.org/research/dodd-frank-costs-compliance>.
- 3 The cost information presented throughout this report is in nominal terms, in part because the specific date of implementation of parts of CSRD and CS3D vary.
- 4 “The European Union Trade Summary,” Office of the United States Trade Representative, accessed January 2026, <https://ustr.gov/countries-regions/europe-middle-east/europe/european-union>.
- 5 Kara Anderson, “What Is the Non-Financial Reporting Directive (NFRD)?,” Greenly, August 4, 2025, <https://greenly.earth/en-gb/blog/company-guide/what-is-the-non-financial-reporting-directive-nfrd>.
- 6 Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on Statutory Audits of Annual Accounts and Consolidated Accounts, Amending Council Directives 78/660/EEC and 83/349/EEC and Repealing Council Directive 84/253/EEC, 2006 O.J. (L 157) 87, <http://data.europa.eu/eli/dir/2006/43/oj>.
- 7 Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the Annual Financial Statements, Consolidated Financial Statements and Related Reports of Certain Types of Undertakings, Amending Directive 2006/43/EC of the European Parliament and of the Council and Repealing Council Directives 78/660/EEC and 83/349/EEC 2013 O.J. (L 182) 19, <http://data.europa.eu/eli/dir/2013/34/oj>.
- 8 Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 Amending Regulation 537/2014/EU, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as Regards Corporate Sustainability Reporting (OJ L 322/15), referred to hereafter as the Corporate Sustainability Reporting Directive (“CSRD”), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464>.
- 9 “Corporate Sustainable Due Diligence,” European Commission, https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en.
- 10 Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions — Action Plan: Financing Sustainable Growth, COM (2018) 97 final (Mar 8, 2018), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018DC0097>; Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 December 2019, “The European Green Deal,” COM (2019) 640 final, https://climate.ec.europa.eu/eu-action/european-climate-law_en.
- 11 European Commission, “EU Agrees on a 2040 Climate Target That Sets a Clear Path Towards a Decarbonised and Competitive Economy,” December 9, 2025, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2967.
- 12 Harold Furchtgott-Roth, “The European Union’s CSRD and CS3D: The Invisible Threats to the United States,” SSRN, September 27, 2025, <https://papers.ssrn.com/abstract=5534138>; and Harold Furchtgott-Roth, “Further Analyses of the European Union’s CSRD and CS3D: The Invisible Threats to the United States,” SSRN, December 12, 2025, <https://papers.ssrn.com/abstract=5869583>.
- 13 December 2025 amendments.
- 14 Furchtgott-Roth, “Further Analyses of the European Union’s CSRD and CS3D.”
- 15 Of course, there is a substantial literature on the “takeover” premium for gaining control of a company. See, for example, John D. Finnerty and Douglas R. Emery, “The Value of Corporate Control and the Comparable Company Method of Valuation,” *Financial Management* 33, no. 1 (2004): 91–99, <http://www.jstor.org>.



- org/stable/3666144. CS3D does not yield a price paid by the EU in a market transaction to gain control of regulated corporations. Instead, CS3D is a loss of control of corporations through regulations outside of market transactions.
- 16 December 2025 amendments, 2.
- 17 “This proposal therefore contains provisions to simplify and streamline the regulatory framework with a view to reduce the burden on undertakings resulting from the CSRD and the CSDDD without undermining the policy objectives of either piece of legislation and to ensure more cost-effective delivery of the overall ambition of the European Green Deal related to the green and just transition.” See December 2025 amendments, 2.
- 18 December 2025 amendments.
- 19 CSRD, article 19.
- 20 December 2025 amendments, 33, amendment to article 19a.
- 21 “Corporate Sustainability Due Diligence,” European Union, February 26, 2025, https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en.
- 22 David Ollivier de Leth, “CSDDD Datahub,” Centre for Research on Multinational Corporations (SOMO), accessed August 15, 2025, <https://www.somo.nl/csddd-datahub>.
- 23 “Europe’s Economic War on America,” Baron Public Affairs, September 2025. The list of US companies subject to CS3D is drawn from the Centre for Research on Multinational Corporations (SOMO). See “CSDDD Datahub.” Baron compared the US companies on the *Fortune* Global 500 to this list.
- 24 Data for S&P 500 Revenue, Gurufocus, September 30, 2025, https://www.gurufocus.com/economic_indicators/5748/sp-500-revenue-ttm.
- 25 December 2025 amendments, 16, amendment to article 1 and article 40a.
- 26 December 2025 amendments, 16, amendment to article 1 and article 40a.
- 27 Emphasis added. CSRD, paragraph 33.
- 28 Emphasis added. CSRD, 43.
- 29 December 2025 amendments, 34, article 19a.
- 30 December 2025 amendments, 33.
- 31 Commission Recommendation 2025/1710/EU of 30 July 2025 on a Voluntary Sustainability Reporting Standard for Small and Medium-Sized Undertakings, 2025 O.J. (L 2025/1710), https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202501710.
- 32 December 2025 amendments, 34, article 19a.
- 33 For agriculture, mining, and manufacturing, see, e.g., “The EU Corporate Sustainability Due Diligence Directive—March 2024 Update,” Navex, March 21, 2024, at <https://www.navex.com/en-us/blog/article/eu-csddd-march-2024-update>. I have also included information and finance because businesses in those sectors are already heavily regulated and often penalized by the EU.
- 34 “Draft European Sustainability Reporting Standards,” EFRAG, November 19, 2022, <https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/05%20EFRAGs%20Cover%20Letter%20on%20the%20Cost-benefit%20analysis.pdf>.
- 35 “The Costs and Benefits of CSRD Reporting,” Ecobio, accessed January 2026, <https://ecobiomanager.com/the-costs-and-benefits-of-csrd-reporting/>.
- 36 “Altogether that adds up to about €39.0 billion per year (\$45 billion US) for ESRS accounting and reporting by my estimate—or roughly 10 basis points on business revenue (aka ‘turnover’ as they say on the Continent.” The 10 basis points can be divided two-thirds CSRD reporting and one-third auditing: “Based on estimates presented below, this could create an addressable market of \$30 billion per year by 2030 for CSRD reporting software and services (beyond an estimated \$15B per year for auditing and staffing).” See Karl Burkhart, “How Much Will It Cost Companies to Comply with EU’s Nature Reporting Standard (ESRS)?,” Medium, July 9, 2025, <https://medium.com/oneearth/how-much-will-it-cost-companies-to-comply-with-eus-nature-reporting-standard-esrs-90b5d46dd86e>.
- 37 “Answer Given by Executive Vice-President Dombrovskis on Behalf of the European Commission,” European Parliament, April 2, 2024, https://www.europarl.europa.eu/doceo/document/E-9-2023-003394-ASW_EN.html.
- 38 “Draft European Sustainability Reporting Standards.”
- 39 “Draft European Sustainability Reporting Standards,” 3.
- 40 December 2025 amendments, 4.
- 41 CSRD rules are being phased in over time. If the rules take effect at a future date, all the costs in exhibit 3.5 could be discounted back to the present date.
- 42 The text is as follows:
1. This Directive lays down rules on:
- obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the operations carried out by their business partners in the chains of activities of those companies; liability for violations of the obligations as referred to in point (a); and the obligation for companies to adopt and put into effect a transition plan for climate change mitigation which aims to ensure, through best efforts, compatibility of the business model and of the



strategy of the company with the transition to a sustainable economy and with the limiting of global warming to 1,5 ° C in line with the Paris Agreement.

2. This Directive shall not constitute grounds for reducing the level of protection of human, employment and social rights, or of protection of the environment or of protection of the climate provided for by the national law of the Member States or by the collective agreements applicable at the time of the adoption of this Directive.

3. This Directive shall be without prejudice to obligations in the areas of human, employment and social rights, and of protection of the environment and climate change under other Union legislative acts. If a provision of this Directive conflicts with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provision of that other Union legislative act shall prevail to the extent of the conflict and shall apply as regards those specific obligations.

See Directive 2024/1760/EU of the European Parliament and of the Council of 13 June 2024 on Corporate Sustainability Due Diligence and Amending Directive 2019/1937 EU and Regulation 2023/2859 EU (Text with EEA Relevance), 2024 O.J. (L 1760), https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760, referred to hereafter as the Corporate Sustainability Due Diligence Directive (“CS3D”).

43 “Draft European Sustainability Reporting Standards,” 28.

44 CS3D, article 1, with subsection (c) amended by December 2025 amendments.

45 CS3D, article 3g.

46 “This proposal therefore contains provisions to simplify and streamline the regulatory framework with a view to reduce the burden on undertakings resulting from the CSRD and the CSDDD without undermining the policy objectives of either piece of legislation and to ensure more cost-effective delivery of the overall ambition of the European Green Deal related to the green and just transition.” December 2025 amendments, 2.

47 December 2025 amendments, 6. EU firms have an additional threshold of 5,000 employees that does not apply to non-EU firms.

48 “The result of the negotiations reduces the number of entities falling in scope of the CSRD by around 90% and those falling in scope of the CS3D by around 70%.” See “Agreement on the CSRD/CS3D Omnibus Package: Key Changes and Implications,” A&O Sherman, December 18, 2025, <https://www.aoshearman.com/en/insights/agreement-on-the-csrd-cs3d-omnibus-package-key-changes-and-implications>.

49 Calculation available from author upon request.

50 “Corporate Sustainability Due Diligence.”

51 Howard Lutnick, Republican questions for the record, nomination hearing, Senate Committee on Commerce, Science, and Transportation, submitted January 29, 2025, <https://www.commerce.senate.gov/services/files/716AD67A-D991-4888-8542-299E69ECB48D>.

52 “Answer Given by Executive Vice-President Dombrovskis.”

53 “Answer Given by Executive Vice-President Dombrovskis.”

54 Exchange rate of \$1.1779 to €1.00. Data for EUR to USD: Convert Euros to US Dollars, exchange-rates.org, accessed December 24, 2025, <https://www.exchange-rates.org/converter/eur-usd>.

55 *True Diligence* (DWF, updated March 2024), <https://dwfgroup.com/en/news-and-insights/reports-and-publications/true-diligence>.

56 *True Diligence*, 12.

57 Nicole V. Crain and W. Mark Crain, “The Cost of Federal Regulation to the US Economy, Manufacturing and Small Business,” National Association of Manufacturers, October 2023, 4, <https://www.nam.org/wp-content/uploads/2023/11/NAM-3731-Crains-Study-R3-V2-FIN.pdf>.

58 CS3D does not create new audit requirements but does create new monitoring requirements. See CS3D, articles 11, 15, and 20.

59 “Answer Given by Executive Vice-President Dombrovskis.”

60 “Answer Given by Executive Vice-President Dombrovskis.”

61 Data for EUR to USD as of December 24, 2025.

62 Burkhart, “How Much Will It Cost Companies to Comply?”

63 Satish Joshi, Ranjani Krishnan, and Lester Lave, “Estimating the Hidden Costs of Environmental Regulation,” *Accounting Review* 76, no. 2 (April 2001): 171–98, <https://www.jstor.org/stable/3068911>.

64 William A. Pizer and Raymond Kopp, “Calculating the Costs of Environmental Regulation,” Resources for the Future, March 2003, <https://media.rff.org/documents/RFF-DP-03-06.pdf>.

65 Christine R. Volgan, “Pollution Abatement and Control Expenditures,” Survey of Current Business, September 1996, chart 2, <https://apps.bea.gov/scb/pdf/national/niparel/1996/0996eed.pdf>.

66 Michael Greenstone, John A. List, and Chad Syverson, “The Effects of Environmental Regulation on the Competitiveness of US Manufacturing,” NBER, Working Paper 18392, 2012, https://www.nber.org/system/files/working_papers/w18392/w18392.pdf.

67 Implicit price deflator was 89.036 in Q1 of 2010 and 129.428 in Q3 of 2025. Data for Gross Domestic Product: Implicit Price Deflator, Federal Reserve of St. Louis, December 23, 2025, <https://fred.stlouisfed.org/series/GDPDEF/>.

- 68 CSRD rules are being phased in over time. If the rules take effect at a future date, all the costs in exhibit 3.5 could be discounted back to the present date.
- 69 I adjust 2022 state-level industry revenue data to 2025 values as follows:
1. Industry receipts taken from 2022 Census Bureau
 2. Gross output by industry from BEA 2022 and Q2 of 2025
 3. Revenue per state per industry = 2022 industry revenue by state and industry * BEA Q2 2025 US industry/2022 census US industry output
- For 1, see “2022 SUSB Annual Data Tables by Establishment Industry,” US Census Bureau, April 2025, <https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html>; for 2, see data for U.Gross Output by Industry, Bureau of Economic Analysis, September 25, 2025, <https://bit.ly/3JWVAKd>.
- 70 This assumption is equivalent to assuming that all firms have constant-returns-to-scale, a common economic assumption.
- 71 This assumption is equivalent to assuming that all firms have constant-returns-to-scale, a common economic assumption.
- 72 “2022 SUSB Annual Data Tables by Establishment Industry.”
- 73 Data for Civilian Labor Force, Federal Reserve of St. Louis, December 16, 2025, <https://fred.stlouisfed.org/series/CLF16OV/>.
- 74 Charles Calomiris, Harry Mamaysky, and Ruoke Yang, “Measuring the Cost of Regulation: A Text-Based Approach,” working paper, Columbia Business School, March 8, 2020, <https://business.columbia.edu/faculty/research/measuring-cost-regulation-text-based-approach>.
- 75 Proposal for a Regulation of the European Parliament and of the Council Amending Regulation 2019/631/ EU as Regards CO2 Emission Performance Standards for New Light-Duty Vehicles and Vehicle Labelling and Repealing Directive 1999/94/EC, COM (2025) 995 final (Dec. 17, 2025), https://eur-lex.europa.eu/procedure/ES/2025_420.
- 76 *Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards: Draft Regulatory Impact Analysis* (Environmental Protection Agency, July 2025), EPA-420-D-25-003, <https://www.epa.gov/system/files/documents/2025-07/420d25003.pdf>.
- 77 December 2025 amendments.
- 78 CS3D, article 29 (1).
- 79 CS3D, article 29 (3.d).
- 80 Calomiris et al., “Measuring the Cost of Regulation.”
- 81 Calomiris et al., “Measuring the Cost of Regulation.”
- 82 American firms complain that they have been targeted by the selective enforcement of certain EU rules.
- 83 “Europe’s Economic War on America.”
- 84 Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 Supplementing Directive 2013/34/EU of the European Parliament and of the Council as Regards Sustainability Reporting Standards, 2023 O.J. (L 2772), https://eur-lex.europa.eu/eli/reg_del/2023/2772/oj/eng?utm_source=chatgpt.com”https://eur-lex.europa.eu/eli/reg_del/2023/2772/oj/eng.
- 85 CS3D, paragraph 20.
- 86 CS3D, article 1.
- 87 Stakeholders, mentioned 61 times in the CS3D directive, are defined as follows:
- “Stakeholders means the company’s employees, the employees of its subsidiaries, trade unions and workers’ representatives, consumers and other individuals, groupings, communities or entities whose rights or interests are or could be affected by the products, services and operations of the company, its subsidiaries and its business partners, including the employees of the company’s business partners and their trade unions and workers’ representatives, national human rights and environmental institutions, civil society organisations whose purposes include the protection of the environment, and the legitimate representatives of those individuals, groupings, communities or entities;”
- See “Definitions,” section (n).
- 88 Luca Enriques, Matteo Gatti, and Roy Shapira, “How the EU’s Sustainability Due Diligence Directive Could Reshape Corporate America,” Harvard Law School Forum on Corporate Governance, February 5, 2025, <https://corpgov.law.harvard.edu/2025/02/05/how-the-eus-sustainability-due-diligence-directive-could-reshape-corporate-america/>.
- 89 Civil liability is mentioned 32 times. See particularly article 29.
- 90 See “The EU Corporate Sustainability Due Diligence Directive—March 2024 Update.”



About the Author



Harold Furchtgott-Roth is a senior fellow at Hudson Institute and president of Furchtgott-Roth Economic Enterprises. This report was partially underwritten by a grant from Baron Public Affairs, a firm that advises several American companies adversely affected by the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CS3D), and related European regulatory efforts. The report has benefited from constructive comments from outside referees.

The conclusions, and any mistakes, in this report are entirely those of the author and should not be attributed to anyone else.

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