



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 26, 2009

H.R. 3633

A bill to allow the funding for the interoperable emergency communications grant program established under the Digital Television Transition and Public Safety Act of 2005 to remain available until expended through fiscal year 2012, and for other purposes

*As ordered reported by the House Committee on Energy and Commerce
on October 15, 2009*

SUMMARY

H.R. 3633 would authorize the National Telecommunications and Information Agency (NTIA) to extend the deadline for making grants to public safety agencies to improve the interoperability of emergency communications systems. Under current law, all grant expenditures must be completed by September 30, 2010; H.R. 3633 would allow NTIA to extend that date to the end of fiscal year 2012.

CBO estimates that extending the deadline for providing interoperability grants would reduce direct spending in fiscal year 2010 and increase spending in fiscal years 2011 and 2012 by an equal amount, for no net change in spending by NTIA over the three years. Enacting H.R. 3633 would not affect revenues or spending subject to appropriation.

H.R. 3633 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit state, local, and tribal governments by extending the period during which those entities could use federal grants to improve the communication systems of public safety agencies.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3633 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2010- 2014
	2010	2011	2012	2013	2014	
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	-350	175	175	0	0	0

BASIS OF ESTIMATE

The Deficit Reduction Act of 2005 (Public Law 109-171) authorized the Federal Communications Commission to auction a portion of the electromagnetic spectrum to the public and allocated a portion of the auction proceeds for a variety of programs, including a \$1 billion program of grants to public safety agencies to implement interoperable communications systems. The act requires NTIA to make all grants under the program by the end of fiscal year 2010; as of September 30, 2009, NTIA had spent about \$225 million on the program.

H.R. 3633 would extend the deadline for payments to participating public safety agencies through September 30, 2012. Based on information from NTIA, CBO estimates that extending the deadline would change the pattern of future spending, reducing mandatory outlays by \$350 million in fiscal year 2010 and increasing outlays by that amount over fiscal years 2011 and 2012; the new estimated amount of spending for fiscal year 2010 would be \$425 million. Thus, CBO estimates that there would be no net change in direct spending over the three years.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3633 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, and tribal governments by extending the period during which those entities could use federal grants to improve the communication systems of public safety agencies.

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