



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 22, 2010

H.R. 3125 **Radio Spectrum Inventory Act**

*As ordered reported by the House Committee on Energy and Commerce
on March 10, 2010*

SUMMARY

H.R. 3125 would require the National Telecommunications Information Administration (NTIA) and the Federal Communications Commission (FCC) to conduct an inventory of the license holders and users of certain frequencies of the radio broadcast spectrum. The agencies would be required to complete the inventory within one year of enactment of the bill and to make the results available to the public on the Internet.

Based on information from NTIA and FCC, CBO estimates that implementing H.R. 3125 would increase net discretionary spending by \$16 million over the 2011-2015 period, assuming appropriation of the necessary amounts. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 3125 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3125 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					2011- 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	3	3	4	3	4	17
Estimated Outlays	2	3	4	3	4	16

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2010 and that the necessary amounts will be appropriated each year.

H.R. 3125 would require the two federal agencies responsible for managing the telecommunications spectrum (NTIA for federal government use and FCC for commercial and nonfederal use) to conduct an inventory of the license holders and users of certain radio frequencies that they manage. The inventory would be completed within one year of enactment of the bill and would be updated on a quarterly basis. The bill also would require the agencies to make the results of the inventory available to the public on the Internet.

The bill would require the agencies to prepare two reports. The first, to present the results of the inventory, would be due two years after the date of enactment and would be updated biennially thereafter. The second, to provide recommendations by NTIA and the FCC of spectrum that should be reallocated or made available for sharing, would be due four years after enactment and would be updated every four years thereafter.

Based on information from NTIA and the FCC, CBO estimates that implementing H.R. 3125 would cost \$31 million over the 2011-2015 period, assuming appropriation of the necessary amounts. Most of that cost would be incurred to collect information about the users of each band of spectrum and update the databases that track that information. CBO estimates that costs to the FCC would total \$15 million over the 2010-2015 period; costs to NTIA would be about \$16 million over the same period. Further, under current law, the FCC is authorized to collect fees to offset the costs of its regulatory program; subject to appropriations action, CBO estimates that the FCC would collect \$15 million in fees to offset the bill's costs. Therefore, CBO estimates that implementing H.R. 3125 would increase net discretionary spending by \$16 million over the 2011-2015 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3125 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On July 28, 2009, CBO transmitted a cost estimate for S. 649, the Radio Spectrum Inventory Act, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 8, 2009. The Senate bill includes a requirement to make the inventory available to the public on the Internet, updated as changes occur. H.R. 3125 does not include the real-time update requirement but does require the agencies to collect more detailed information for the inventory. The cost estimates for the two bills reflect those differences.

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