



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 2, 2010

H.R. 3019 **Spectrum Relocation Improvement Act of 2009**

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

Existing law provides a statutory framework for reallocating electromagnetic spectrum from government to commercial use. Commercial licenses to use those frequencies are awarded by the Federal Communications Commission (FCC) through a competitive bidding process, and proceeds from the auctions are deposited in the Treasury. Prior to an auction, prospective bidders are given information about the government's relocation plans; after the auction, the affected agencies are authorized to directly spend auction proceeds to pay for equipment and facilities needed to use alternative frequencies, subject to certain terms and conditions. H.R. 3019 would revise the relocation process by directing agencies to provide additional information to potential bidders, establishing deadlines for terminating federal operations on reallocated frequencies, and making other administrative changes.

CBO estimates that enacting H.R. 3019 would have a negligible effect on net direct spending over the 2011-2020 period. Although some federal frequencies may be reallocated in the future for commercial use, there are no specific plans for such transfers before the FCC's auction authority expires at the end of fiscal year 2012. As a result, there is only a small chance that this legislation would apply to any auctions under current law. Based on information from affected agencies, CBO also expects that the procedural changes in the bill would not have a significant effect on the contractual and engineering constraints that determine the pace and cost of federal relocation efforts. Finally, CBO estimates that enacting the bill would not affect revenues.

H.R. 3019 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting this legislation would have a negligible net effect on the deficit each year.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.