



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 26, 2007

S. 93

911 Modernization Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on February 13, 2007*

SUMMARY

S. 93 would allow the National Telecommunications and Information Agency (NTIA) to borrow up to \$44 million from the U.S. Treasury in 2007 to carry out provisions of title III of the Deficit Reduction Act of 2005 (Public Law 109-171) concerning emergency communications services. The Secretary would repay any borrowing with proceeds from the government's planned 2008 auctions of the electromagnetic spectrum. The Deficit Reduction Act authorized spending of up to \$44 million in 2008, to be derived from auction proceeds, to provide grants to state and local governments and tribal organizations for improving emergency communications services.

CBO estimates that using the borrowing authority provided by S. 93 would cause spending for this purpose to commence in 2007 instead of 2008. We estimate that outlays would rise by \$1 million in 2007. The bill would thus increase direct spending in fiscal year 2007 and reduce direct spending in fiscal year 2008. We expect that total direct spending by NTIA over the two years would remain unchanged under the bill.

S. 93 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 93 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					
	2007	2008	2009	2010	2011	2012
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	44	-44	0	0	0	0
Estimated Outlays	1	-1	0	0	0	0

a. Implementing S. 93 also could increase spending subject to appropriation, but CBO estimates that any such effects would be less than \$500,000 a year.

BASIS OF ESTIMATE

Under current law, NTIA is authorized to make grants to state and local governments and tribal organizations to improve the implementation and coordination of emergency communication services (known as E-911 services). Funding for the grants is to be derived from proceeds of the government's planned 2008 auction of electromagnetic spectrum. S. 93 would authorize NTIA to borrow up to \$44 million in 2007 and repay the borrowed funds with proceeds from the spectrum auction as they are received.

CBO estimates that providing borrowing authority in 2007 would allow NTIA to start entering into agreements with state and local governments prior to 2008. Direct spending would increase by \$1 million in 2007 to cover administrative costs. That spending would be offset by a decrease of \$1 million in direct spending in 2008. Accordingly, CBO estimates that there would be no net change in direct spending over the two years—and no impact on the budget after 2008.

S. 93 also would require NTIA to amend the criteria for awarding E-911 grants to give priority to emergency call centers that are incapable of receiving 911 calls. CBO estimates that the cost of issuing regulations to amend those criteria would be insignificant and would be subject to the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 93 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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