



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

December 3, 2007

S. 1853

Community Broadband Act of 2007

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on October 30, 2007*

S. 1853 would likely preempt state and local laws in 15 states that would ban, or have the effect of banning, the provision of broadband services by public entities, including municipalities. Before public entities may provide broadband service, the bill would require them to publish notice of their intent to offer such services, including detail of the types of services to be provided. The bill also would require public entities to allow private bids for those services. CBO estimates that enacting S. 1853 would have no significant impact on the federal budget, but it would impose mandates on state and local governments.

The preemption, as well as the notification and bidding requirements, would be intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs of those mandates would be small and would not exceed the threshold established in UMRA (\$66 million in 2007, adjusted annually for inflation). The bill would benefit public entities in some states by allowing them to offer broadband services. The bill contains no new private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Susan Willie (for federal costs) and Elizabeth Cove (for the impact on state and local governments). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.