



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 10, 2008

### **H.R. 5811** **Electronic Message Preservation Act**

*As reported by the House Committee on Oversight and Government Reform  
on May 1, 2008*

#### **SUMMARY**

H.R. 5811 would amend federal law regarding the preservation and storage of electronic communications. The legislation would direct the National Archives and Records Administration (NARA) to issue regulations governing the preservation of e-mail and other electronic records in electronic format. The bill also would require federal agencies to manage and preserve their e-mail records electronically. Finally, H.R. 5811 would amend the Presidential Records Act to give NARA additional oversight of electronic Presidential records.

CBO estimates that implementing H.R. 5811 would cost \$13 million in 2009 and about \$155 million over the 2009-2013 period, assuming appropriation of the necessary amounts. The legislation could also affect direct spending by agencies not funded through annual appropriations (such as the Tennessee Valley Authority) or by agencies considered off-budget (such as the U.S. Postal Service). CBO estimates, however, that any net increase in spending by those agencies would not be significant.

H.R. 5811 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. 5811 is shown in the following table. The costs of this legislation fall within all budget functions that contain salaries and expenses.

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	15	25	35	45	40	160
Estimated Outlays	13	24	34	44	40	155

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2009 and that spending would follow historical patterns for similar activities.

Most of the provisions of H.R. 5811 would expand the current practices of the federal government. Under the Federal Records Act, each federal agency is required to make and preserve records of its activities. To accomplish this, agencies are required to develop programs to ensure that they have appropriate systems to manage and preserve their records. The act also gives NARA the responsibility to oversee and issue guidance on managing federal records, including e-mail messages. Although current NARA regulations specifically require that e-mails be stored electronically, NARA allows agencies to print and file paper copies of e-mail records. H.R. 5811 would require agencies over the next four years to move exclusively to a system that would electronically manage all e-mail records.

CBO is unaware of any comprehensive information on the current status of the electronic recordkeeping capabilities of the federal government or the costs to create an e-mail records system. Information from the Office of Management and Budget (OMB), the Government Accountability Office (GAO), some federal agencies, and NARA suggests that very few federal agencies currently archive all e-mail messages electronically as the bill would require. Most agencies currently maintain a print and file system of e-mail records.

While most government documents are created in a computer format, GAO has reported that financial constraints and technical challenges associated with electronic recordkeeping have hampered the development of electronic systems to archive records. GAO also reports that federal agencies generally have little experience with acquiring and operating an electronic filing system for e-mail records. The cost to create such a system would depend upon the current status of each agency's system, the size of the agency, and the volume of work it performs.

Currently the federal government spends about \$24 billion a year on information technology, including mission support, infrastructure, and enterprise architecture and planning. Using

information from GAO, NARA, OMB, selected federal agencies, and private-sector vendors about the current status of government e-mail systems and the costs to enhance those systems to archive e-mail, CBO estimates that implementing H.R. 5811 would cost \$13 million in 2009 and about \$155 million over the 2009-2013 period, assuming appropriation of the necessary amounts. Those amounts would cover the initial costs of purchasing software products for archiving and disk-storage devices, and conducting training. Those initial expenses would total \$60 million and would be incurred over the first four years. Ongoing costs (which would total about \$40 million a year when the new systems would be fully implemented in 2013) would total about \$95 million over the 2009-2013 period, mostly for renewal of software licenses and additional data storage.

Electronically archiving e-mail could reduce the administrative costs agencies incur to print and file paper copies and to perform other retrieval-based tasks, such as Freedom of Information Act requests. CBO expects that any such savings over the next five years would be negligible.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 5811 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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