



**CONGRESSIONAL BUDGET OFFICE  
PAY-AS-YOU-GO ESTIMATE**

October 21, 1998

**H.R. 2281  
Digital Millennium Copyright Act of 1998**

*As cleared by the Congress on October 12, 1998*

H.R. 2281 would amend existing copyright laws to implement two World Intellectual Property Organization treaties, limit the liability of Internet providers for copyright infringement by their customers, clarify the treatment of ephemeral recordings, and protect original hull designs of boats. The legislation would establish new criminal and civil penalties and thus could affect both receipts and direct spending. Hence, pay-as-you-go procedures would apply, but CBO expects that any changes in receipts and direct spending would not be significant.

Section 103 would establish a criminal fine of up to \$1 million for anyone attempting to circumvent copyright protection systems or falsifying or altering copyright management information. Enacting this provision could increase governmental receipts from the collection of fines, but we estimate that any such increase would be less than \$500,000 annually. Criminal fines are deposited in the Crime Victims Fund and are spent in the following year. Thus any change in direct spending from the fund would also amount to less than \$500,000 annually.

Section 502 would establish a civil penalty of up to \$500 for anyone seeking to deceive the public by using false markings to indicate that an unprotected hull design is protected. This section also would establish a civil penalty of at least \$500 and not more than \$1,000 for making a false representation to obtain registration of a hull design. Enacting this section could increase governmental receipts from the collection of fines, but we estimate that any such increase would be less than \$500,000 annually.

The CBO staff contact for this estimate is Mark Hadley. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.