



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2000

H.R. 4049 **Privacy Commission Act**

As ordered reported by the House Committee on Government Reform on June 29, 2000

H.R. 4049 would establish the Commission for the Comprehensive Study of Privacy Protection to study issues related to the protection of individual privacy. The bill would direct the commission to discuss potential threats to such privacy, assess when the sharing of personal information is appropriate and beneficial to consumers, analyze the effectiveness of existing statutes and regulations, and recommend legislative and regulatory changes to improve the security of personal information. The commission would have 18 months from the time all 17 members are appointed to issue its report to the Congress and the President. To cover the costs of the commission, the bill would authorize the appropriation of \$5 million. The commission would terminate 30 days after submitting its report.

Assuming appropriation of the authorized amount, CBO estimates that implementing the bill would cost \$5 million over fiscal years 2001 and 2002. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 4049 would require state, local, or tribal governments and entities in the private sector, if subpoenaed, to provide testimony and evidence related to matters the privacy commission would be empowered to investigate. Such a requirement would be a federal mandate under the Unfunded Mandates Reform Act (UMRA). The bill would authorize the commission to subpoena the attendance of witnesses and the production of evidence from any place within the United States and at any specified place of hearing within the United States. CBO expects that the commission would likely exercise its subpoena power sparingly and that the costs to comply with a subpoena would not be significant. Thus, CBO estimates that the intergovernmental and private-sector costs of the mandate would be small and well below the relevant thresholds established by UMRA (\$55 million for intergovernmental mandates and \$109 million for private-sector mandates in 2000, adjusted annually for inflation).

The CBO staff contacts for this estimate are John R. Righter (for the federal costs), Susan Sieg Tompkins (for the state and local impact), and Sarah E. Sitarek (for the private-sector impact). The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.