



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

July 2, 2004

**H.R. 338**

**Federal Agency Protection of Privacy Act of 2004**

*As ordered reported by the House Committee on the Judiciary  
on June 23, 2004*

H.R. 338 would require federal agencies to assess proposed regulations to determine the impact on the privacy of individuals. The legislation would exclude any agency rule that does not have an impact on personally identifiable information. H.R. 338 also would require agencies issuing rules with a potentially significant impact on individual privacy to ensure that individuals have been given ample opportunity to participate in such rulemakings. Finally, agencies would have to review existing rules to consider impacts on the privacy of individuals at least every 10 years.

CBO estimates that implementing H.R. 338 would have no significant effect on federal spending. Based on a review on the number and types of agency rules published in recent years, we expect that the collection, maintenance, use, or disclosure of personally identifiable information is a concern for a small percentage of the rules published annually. H.R. 338 would add to the existing regulatory procedures for considering impacts on the privacy of individuals that are already performed by agencies under the Privacy Act of 1974, the Paperwork Reduction Act, the E-Government Act of 2002, and current Office of Management and Budget requirements concerning information collected from the public. Based on information from some agencies that would be affected by the bill, we expect that implementing this bill would not require significant additional efforts by rulemaking agencies. Thus, its implementation would not have a significant cost.

H.R. 338 also could affect direct spending by increasing the administrative costs of rulemaking agencies that receive no annual appropriations. However, CBO estimates that any increase in direct spending would not be significant. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.