



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 6, 2004

S. 2505

**A bill to implement the recommendations of the Federal
Communications Commission report to the Congress regarding low
power FM service**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on July 22, 2004*

SUMMARY

S. 2505 would change the criteria in current law for licensing of low-power radio stations by the Federal Communications Commission (FCC). Such stations are operated by noncommercial entities and broadcast very weak signals (100 watts or less) that reach a limited geographic area. This bill would repeal some of the engineering requirements that currently limit the number of low-power radio stations that can operate in certain areas.

CBO estimates that implementing the bill would have no significant effect on spending subject to appropriation and would not affect direct spending or revenues. Easing the restrictions on low-power radio stations would likely increase the number of applications for such licenses. Based on information from the FCC, CBO estimates that the administrative costs of processing additional license applications would be negligible and that there would be no change in the FCC's offsetting collections because noncommercial entities do not pay application or regulatory fees for such licenses.

S. 2505 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act, and any costs to state, local, or tribal governments would be voluntary. To the extent that public entities choose to apply for and develop new radio stations, they would voluntarily incur some costs.

The CBO staff contact for this estimate is Melissa E. Zimmerman. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.