



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 5, 2006

S. 193

Broadcast Decency Enforcement Act of 2006

*As cleared by the Congress on June 7, 2006,
and signed by the President on June 15, 2006*

S. 193, enacted as Public Law 109-235, increases the maximum civil penalty for broadcasting obscene, indecent, or profane material. (Such penalties are recorded in the budget as revenues.) Under the bill, CBO estimates that revenues resulting from those penalties would increase by about \$10 million over the 2007-2016 period.

S. 193 increases the monetary penalties assessed by the Federal Communications Commission (FCC) for broadcasting obscene, indecent, or profane material. For broadcast licensees, the maximum penalty is \$325,000 for each violation or for each day of continuing violation, not to exceed \$3,000,000 for any single act or failure to act. According to the FCC, prior assessments for each violation have been around \$50,000 per year recently—however, annual collections have varied widely. For example, the FCC did not collect any penalties for indecency violations in 2003, but collected \$2.5 million in 2004.

CBO estimates that under S. 193, collections of penalties for broadcasting obscene, indecent, or profane material will increase by less than \$500,000 in 2006 and by about \$1 million per year, on average, over the 2007-2016 period. The increase in collections could be much higher or lower considering that the number of penalties varies widely from year to year.

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