



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 29, 2008

H.R. 6575 **Over-Classification Reduction Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 23, 2008*

H.R. 6575 would amend federal law concerning the security classification of government documents. The legislation would require the National Archives and Records Administration (NARA), in consultation with the Director of National Intelligence and other affected federal agencies to develop regulations that prevent the overuse of classification procedures to withhold information collected or prepared by the federal government. The legislation would require agencies to consider whether classified information could benefit state, local, or tribal governments, as well as law enforcement activities or the public. The bill also would require annual training for employees and contractors on how to classify information, and audits by inspectors general to determine whether information has been properly classified.

CBO estimates that implementing H.R. 6575 would cost \$2 million in 2009 and \$22 million over the 2009-2013 period, assuming the availability of appropriated funds. Those costs would be incurred to implement new regulations and requirements and to conduct training and audits. Although the legislation could affect agencies not funded through annual appropriations (such as the Tennessee Valley Authority or the U.S. Postal Service), CBO estimates that any net increase in spending by those agencies would not be significant.

Most of the legislation would expand on current law and practices of the federal government. Information from NARA and the Departments of Homeland Security and Defense indicates that most agencies comply with existing NARA regulations regarding the classification of federal information and already provide annual training to employees on classification procedures. However, NARA and agencies would incur additional costs under the bill to implement new regulations, perform audits, and provide additional training.

H.R. 6575 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 Theresa Gullo, Deputy Assistant Director for Budget Analysis.