# CONGRESSIONAL BUDGET OFFICE
# COST ESTIMATE

December 10, 2009

## H.R. 1084
## CALM Act

*As ordered reported by the House Committee on Energy and Commerce on November 19, 2009*

H.R. 1084 would require the Federal Communications Commission (FCC) to adopt, within one year, an industry-created standard capping the volume level of television commercials and equalizing the volume between advertisements and other television programming. CBO estimates that implementing H.R. 1084 would have no significant impact on the federal budget.

H.R. 1084 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring television broadcast stations, cable operators, and other distributers of television programming to meet the proposed standard. The cost to those entities would depend on the method used to comply with the mandate. According to information from industry sources, the cost of equipment that controls the volume of programming ranges from a few thousand dollars to about $20,000 per device. Based on information from the FCC and industry sources, CBO expects that several thousand entities would have to comply with the mandate. Because a small number of those entities are publicly owned, CBO estimates that the aggregate cost to public entities would be small and would fall below the annual threshold established in UMRA for intergovernmental mandates ($69 million in 2009, adjusted annually for inflation). CBO estimates that the aggregate cost to private entities would total at least tens of millions of dollars, but would probably fall below the annual threshold established in UMRA for private-sector mandates ($139 million in 2009, adjusted annually for inflation).

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs), Leo Lex and Elizabeth Cove Delisle (for the state and local impact), and Amy Petz and Sam Wice (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.