



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

December 9, 2009

**S. 592  
Local Community Radio Act of 2009**

*As ordered reported by the Senate Committee on Commerce, Science,  
and Transportation on November 19, 2009*

S. 592 would amend rules that limit the number of low-power radio stations that may be licensed by the Federal Communications Commission (FCC). Low-power stations are operated by noncommercial entities and broadcast very weak signals (100 watts or less) that reach a limited geographic area. The bill would direct the FCC to eliminate some engineering requirements on low-power radio stations and ensure the availability of radio spectrum for both low-power FM stations and stations that translate FM signals initially transmitted by other stations (known as FM translators). Finally, S. 592 would require the FCC to report to the Congress on the economic impact of low-power FM stations on full-power commercial FM stations.

Based on information from the FCC, CBO estimates that implementing S. 592 would cost about \$1 million over the 2010-2014 period, subject to the availability of appropriated funds. We expect the number of applications for low-power licenses to increase as a result of the bill, which along with the new reporting requirement would increase the FCC's administrative costs. There would be no change in the FCC's offsetting collections, however, because noncommercial entities do not pay fees for such licenses. Provisions affecting the allocation of spectrum between low-power FM stations and FM translators could affect offsetting receipts from future spectrum auctions, but CBO estimates that those changes are unlikely to affect proceeds from the auctions that will be held before the FCC's authority to auction the spectrum expires at the end of 2013.

S. 592 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). To the extent that public entities choose to apply for and develop new radio stations, they would voluntarily incur some costs.

On October 28, 2009, CBO transmitted a cost estimate for H.R. 1147, the Local Community Radio Act of 2009, as ordered reported by the House Committee on Energy and Commerce on October 15, 2009. Both bills affect low-power radio stations, but S. 592 would require the FCC to prepare additional reports for the Congress. The CBO cost estimates reflect that difference. CBO has determined that neither bill contains an intergovernmental mandate; we determined that H.R. 1147 could impose a private-sector mandate that would fall well 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 Susan Willie and Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.