



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 23, 2013

H.R. 1234 **Electronic Message Preservation Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on March 20, 2013*

H.R. 1234 would amend federal law concerning the preservation, storage, and management of records by federal agencies. The legislation would direct the National Archives and Records Administration (NARA) to issue regulations governing the preservation of e-mail and other electronic records in electronic format and establish procedures for using nonfederal e-mail services for official government business. Finally, H.R. 1234 would amend the Presidential Records Act to authorize NARA to manage the electronic records of the President.

Under the legislation, NARA would have 18 months to promulgate regulations on the preservation of electronic messages, and agencies would have four years to comply. Most of the provisions of H.R. 1234 would codify or expand current practices of the federal government. Under the Federal Records Act, each agency is required to make and preserve records of its activities. To accomplish this, agencies are required to have appropriate systems to manage and preserve their records. The act also gives NARA the responsibility to oversee and issue guidance on managing federal records, including e-mail messages. Although current NARA regulations require that government e-mail messages be stored electronically, NARA allows agencies to print and file paper copies of e-mail records. In addition, a 2012 Managing Government Records Directive (M-12-18) from the Office of Management and Budget requires that federal agencies manage all e-mail in an electronic format by 2016.

CBO expects that not all agencies will meet the timeline specified in the directive for using electronic systems to manage e-mail records. Some agencies will probably have to acquire additional computer hardware and software to meet the new requirements. Based on information from NARA and selected agencies, CBO estimates that implementing H.R. 1234 would cost \$15 million over the 2014-2018 period, assuming the availability of appropriated funds. CBO estimates that implementing other provisions of the bill regarding nonfederal e-mail and managing Presidential records would not have a significant impact on the federal budget. The legislation also could affect direct spending

by agencies not funded through annual appropriations or by agencies considered to be off-budget. Therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting the bill would not affect revenues.

Electronically archiving e-mail could reduce the administrative costs agencies incur to print and file paper copies and to perform other tasks, such as fulfilling Freedom of Information Act requests and retiring records for judicial proceedings. However, CBO expects that any such savings over the next five years would be small.

H.R. 1234 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. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.