



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 24, 2016

S. 421
Federal Communications Commission Process Reform Act of 2015

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 27, 2016*

S. 421 would direct the Federal Communications Commission (FCC) to make a number of procedural changes in its rulemaking process and to incorporate additional opportunities for public comment on agency proposals.

On the basis of information from the FCC, CBO estimates that implementing S. 421 would cost \$10 million over the 2017-2021 period to hire five additional staff and to upgrade its information technology. Such spending would be subject to the availability of appropriated funds. However, under current law, the FCC is authorized to collect fees sufficient to offset the cost of its regulatory activities each year. Therefore, CBO estimates that the net cost to implement S. 421 would be negligible, assuming annual appropriation actions consistent with the agency's authorities.

Enacting S. 421 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 421 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 421 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

If the FCC increases annual fee collections to offset the costs of implementing its additional regulatory activities, the bill would increase the cost of an existing mandate on commercial entities required to pay those fees. Based on information from the FCC, CBO estimates that the incremental cost of the mandate would be small—about \$10 million over the next five years—and would fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2016, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.