



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 17, 2017

S. 88

Developing Innovation and Growing the Internet of Things Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on January 24, 2017*

S. 88 would direct the Department of Commerce (DOC) to convene a working group of representatives from various federal agencies and a steering committee of private stakeholders to produce reports and recommendations to the Congress to improve intragovernmental coordination and to encourage the development of the Internet of things. (The Internet of things refers to the growing number of devices that connect to the Internet and interact with one another.) The bill also would direct the Federal Communications Commission (FCC) to prepare a report assessing the need for spectrum to support such developments.

Based on an analysis of information from the affected agencies, CBO estimates that implementing S. 88 would require about sixteen employees and would cost \$4 million over the 2018-2022 period to convene the working group and to develop the reports required under the bill. Those costs would be spread among the federal agencies that would be a part of the working group and such spending would be subject to the availability of appropriated funds. Participating in the working group and completing the spectrum report would cost the FCC less than \$500,000. However, the FCC is authorized to collect fees sufficient to offset the costs of its regulatory activities each year; therefore, CBO estimates that the net effect on discretionary spending for those activities would be negligible, assuming appropriation actions consistent with that authority.

Enacting S. 88 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 88 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 88 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 Stephen Rabent. The estimate was approved by H. Samuel Papenfuss, Assistant Director for Budget Analysis.