CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 19, 2018

H.R. 2409
A bill to allow servicemembers to terminate their cable, satellite television, and Internet access service contracts while deployed

As ordered reported by the House Committee on Veterans' Affairs on July 12, 2018

Under current law, service members may terminate cellular and landline telephone service contracts without penalty if the service member receives orders to move to a location in which the telephone service provider does not provide service. H.R. 2409 would add contracts for Internet and multichannel video programming services to the list of covered service contracts. The bill would require service members to return any provider-owned equipment to the service provider within 10 days of the disconnection of service. CBO estimates that H.R. 2409 would have no effect on the federal budget.

Enacting H.R. 2409 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 2409 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

By prohibiting multichannel video programming and Internet providers from imposing early termination or reconnection fees, H.R. 2409 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). Because some municipal governments provide Internet access, the bill would impose an intergovernmental mandate in addition to the private-sector mandate on private providers of those services. CBO estimates that the costs of the mandate would not exceed the thresholds established in UMRA for intergovernmental or private-sector mandates ($80 million and $160 million in 2018, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Logan Smith (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.