



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 6, 2018

**H.R. 3994
ACCESS BROADBAND Act**

As passed by the U.S. House of Representatives on July 23, 2018

SUMMARY

H.R. 3994 would direct the National Telecommunications and Information Administration (NTIA) to establish a new Office of Internet Connectivity and Growth and direct several federal agencies that offer broadband support programs to amend, streamline, and standardize their applications for those programs.

Using information from the affected agencies, CBO estimates that implementing H.R. 3994 would cost \$13 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Enacting the legislation would affect direct spending from and subsequent collections of revenues by the Universal Service Fund (USF) of the Federal Communication Commission (FCC); therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effect on the deficit would be negligible.

CBO estimates that enacting H.R. 3994 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 3994 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3994 is shown in the following table. The costs of the legislation fall mainly within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	6	2	1	2	2	13
Estimated Outlays	0	5	2	2	2	2	13

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of 2018 and that the necessary amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns.

H.R. 3994 would direct NTIA to establish the Office of Internet Connectivity and Growth to perform outreach to communities that lack access to high-speed Internet service, conduct regional workshops, develop broadband training, and create and distribute publications to help communities develop strategies to expand broadband access and adoption. Under the act, that office also would work with other federal agencies to track federally funded construction, use, and access to broadband infrastructure and report on availability and the economic effects of broadband deployment. Finally, the office would consult with agencies that offer broadband support programs to streamline and standardize their applications processes and develop a central website for federal broadband programs.

Using information from the affected agencies, CBO estimates that implementing H.R. 3994 would cost \$13 million over the 2019-2023 period. Of that amount, \$4 million would cover the costs to employ about five additional staff members, at a cost of about \$150,000 each, to increase the scope of NTIA’s broadband outreach. Another \$8 million would pay for developing a database, coordinating with other federal agencies, and updating federal broadband applications. All such spending would be subject to appropriation.

CBO also estimates that implementing H.R. 3994 would require \$1 million in spending by other federal agencies to coordinate with NTIA to update, streamline, and standardize program applications. Such spending would be subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS

H.R. 3994 would require the FCC, through the USF, to coordinate with and provide additional information to the Office of Internet Connectivity and Growth regarding construction, use, and access to broadband infrastructure. CBO estimates that implementing those provisions would increase the USF's gross costs by an insignificant amount. Under current law, the USF may offset administrative costs through fees charged to certain telecommunication companies. The cash flows of the USF are recorded in the budget as direct spending (for amounts distributed from the fund) and as revenues (for receipts to the fund). Because H.R. 3994 would increase the administrative costs of the USF, pay-as-you-go procedures apply. However, CBO estimates that the net effect on the deficit would be negligible.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3994 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 3994 contains no intergovernmental or private-sector mandates as defined in UMRA.

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