

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 7624, the Spectrum Innovation Act of 2022, as Posted on the Website of the Clerk of the House on July 25, 2022
<https://docs.house.gov/billsthisweek/20220725/BILLS-117hr5313-SUSv1.pdf>

	By Fiscal Year, Millions of Dollars											2022- 2027	2022- 2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	Net Increase or Decrease (-) in the Deficit												
Pay-As-You-Go Effect	0	-1,200	-1,425	725	8,200	-2,125	-9,425	625	700	725	700	4,175	-2,500

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those procedures are shown here.

Estimates are relative to the May 2022 baseline.

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H.R. 7624 would modify and extend the authority of the Federal Communications Commission (FCC) to auction licenses for the commercial use of the electromagnetic spectrum and authorize certain federal agencies to spend some auction proceeds without further appropriation. CBO estimates that enacting the bill would reduce net direct spending by \$2.5 billion over the 2022-2032 period. Outlays after 2032 would increase by approximately \$2.4 billion. Enacting the bill would not affect revenues. CBO has not completed an estimate of the bill's effects on spending subject to appropriation. For this estimate, CBO assumes enactment near the end of fiscal year 2022.

This estimate reflects the net effect of provisions that would increase offsetting receipts from FCC auctions, relative to current law. Those receipts are recorded in the budget as reductions in direct spending. The estimate also accounts for provisions that, subject to certain conditions, would direct federal agencies to spend of some of the auction proceeds without further appropriation.

Two legislative changes account for the estimated increase in offsetting receipts. Title I would modify the parameters and planning procedures for an auction authorized by the Infrastructure Investment and Jobs Act (IIJA) involving 350 megahertz of radio spectrum currently used by federal agencies. Title V would provide an 18-month extension of the FCC's broad auction authority, currently scheduled to expire on September 30, 2022. On balance, CBO estimates, enacting those two provisions would increase receipts, net of potential relocation costs, by \$7.9 billion over the 2022-2032 period. The figures in the table also reflect CBO's expectation that the bill would affect the timing of future collections.

H.R. 7624 also would establish the Public Safety and Secure Networks Fund and require a portion of the proceeds from certain FCC auctions to be deposited into that fund. Title VI would establish a framework for spending some of those funds on programs administered by the FCC and the Department of Commerce. Applying those funding and allocation criteria, CBO estimates that enacting titles V and VI would provide about \$7.7 billion in budget authority for the specified agency programs. CBO projects that about \$5.3 billion of the total would be spent by 2032; the remainder would be spent in subsequent years.

Title I also would authorize direct spending from the Spectrum Relocation Fund for certain planning activities related to the auction authorized by the IIJA. Using information from affected agencies, CBO estimates that those studies would increase spending by about \$150 million over the 2022-2032 period.

H.R. 7624 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.