

H.R. 1149, Countering Untrusted Telecommunications Abroad Act

As ordered reported by the House Committee on Foreign Affairs on February 28, 2023

| By Fiscal Year, Millions of Dollars | 2023 | 2023-2028 | 2023-2033 |
|--------------------------------------------------------------------------------------------------------|------|-------------------------------------------|----------------------|
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | * | * | not estimated |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Statutory pay-as-you-go procedures apply? | No |
| | | Mandate Effects | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | Yes, Under Threshold |
| * = between zero and \$500,000. | | | |

H.R. 1149 would authorize the Department of State and the U.S. Trade and Development Agency (USTDA) to provide diplomatic and technical support to countries that are working to secure their telecommunications infrastructure. USTDA offers feasibility studies, technical assistance, and other support in the early stages of infrastructure projects, including telecommunications projects such as building 5G networks.

The bill also would require the department to report to the Congress on telecommunications equipment and services in use by U.S. embassies and allies that pose risks to U.S. national security. It also would require publicly held companies to report annually to the Securities and Exchange Commission (SEC) on their use of such equipment or services.

On the basis of information from the department and USTDA, CBO expects that the bill's requirements to promote secure telecommunications infrastructure overseas would be met under existing programs and activities. Using information about similar reports, CBO estimates that satisfying the reporting requirements under the bill would cost less than \$500,000 over the 2023-2028 period. Such spending would be subject to the availability of appropriated funds.



H.R. 1149 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost would not exceed the threshold established in UMRA (\$198 million in 2023, adjusted annually for inflation).

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 1149 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of the mandate would be small.

The bill also would require issuers of securities to report to the SEC uses of certain telecommunication equipment or services that pose a risk to U.S. national security, as determined by the Federal Communications Commission. The cost to comply with the mandate would be small because there are only a few mandated entities using such equipment and a reporting process is already in place.

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sunita D'Monte and David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by Chad Chirico, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel
Director, Congressional Budget Office