

H.R. 1338, SAT Streamlining Act

As ordered reported by the House Committee on Energy and Commerce on March 24, 2023

| By Fiscal Year, Millions of Dollars | 2023 | 2023-2028 | 2023-2033 |
|--|------|---|----------------------|
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | * | * |
| Increase or Decrease (-) in the Deficit | 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? | Yes |
| | | Mandate Effects | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Contains intergovernmental mandate? | Yes, Under Threshold |
| | | Contains private-sector mandate? | Yes, Under Threshold |
| * = between -\$500,000 and \$500,000. | | | |

H.R. 1338 would establish deadlines for the Federal Communications Commission (FCC) to process applications both for earth and space stations in a satellite system to operate in specific spectrum bands and for grants of access to U.S. markets. The bill also would set performance objectives for applicants with respect to space safety and orbital debris. Finally, H.R. 1338 would require licensees to protect other entities authorized to use the same frequencies from harmful interference.

Using information from the FCC, CBO expects that it would need about 10 employees over the first 18 months after enactment, at an average annual cost of \$195,000, to issue rules. CBO also expects that the rulemaking required under the bill would result in an expedited application review timeline, which CBO expects would require roughly 20 additional attorneys and engineers annually beginning midway through 2025. Those employees would be needed to help clear the backlog of current applications and process new applications under the accelerated schedule.

On that basis, CBO estimates that implementing the bill would cost \$19 million over the 2023-2028 period. However, because the FCC is authorized to collect fees each year sufficient to offset the appropriated costs of its regulatory activities, CBO estimates that the

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



net cost to the FCC would be negligible, assuming appropriation actions consistent with that authority.

Authority for the FCC to issue licenses for use of the telecommunications spectrum lapsed on March 9, 2023. Given that lapsed authority, CBO expects that enacting H.R. 1338 would have no effect on offsetting receipts.

Under current law, the FCC collects application fees for licensing satellites. Those fees are recorded as revenues and deposited in the general fund of the Treasury. The commission collected about \$1 million in application fees in 2022. CBO expects that H.R. 1338 could accelerate collections of application fees; however, the net increase in revenues from those fees over the 2025-2033 period would be insignificant.

H.R. 1338 would preempt state and local governments from regulating some aspects of a new area of federal licensure. That preemption would be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). The bill would prohibit state and local governments from making policies that interfere with the ability of applicants to obtain or use a license or grant of market access. H.R. 1338 also would prohibit them from regulating rates charged by the licensee. CBO estimates this would not result in an increase or decrease in state or local expenditures and revenues, and therefore, the cost of the mandate would fall well below the annual threshold established in UMRA for intergovernmental mandates (\$99 million in 2023, adjusted annually for inflation).

If the FCC increased fees to offset the costs associated with implementing the bill, H.R. 1338 would increase the cost of an existing mandate on private entities required to pay those fees. CBO estimates that the incremental cost of that mandate would be small and fall below the annual threshold established in UMRA for private-sector mandates (\$198 million in 2023, adjusted annually for inflation).

The CBO staff contacts for this estimate are David Hughes and Willow Latham-Proença (for federal costs) and Rachel Austin (for Mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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