# Congressional Budget Office
## Cost Estimate

April 21, 2023

# H.R. 1353, ALERT Parity 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 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | * | * | not estimated |

| | | | |
|---|---|---|---|
| Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034? | No | Statutory pay-as-you-go procedures apply? | No |
| | | **Mandate Effects** | |
| | | Contains intergovernmental mandate? | Yes, Under Threshold |
| Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034? | No | Contains private-sector mandate? | Yes, Cannot Determine Costs |

* = between zero and $500,000.

H.R. 1353 would require the Federal Communications Commission (FCC) to allow an entity to apply to provide 9-1-1 emergency connectivity service to any area that has no provider of commercial mobile services capable of providing such service. The bill also would direct the FCC to report annually to the Congress on the provision of emergency connectivity service to unserved areas.

Using information from the FCC, CBO expects that the commission would need two employees, at an average cost of $195,000 each, to issue rules in 2024 and 2025. On that basis, CBO estimates that it would cost the agency $1 million over the 2023-2028 period to implement H.R. 1353. CBO also estimates that the cost to administer applications and report to the Congress would be insignificant in every year after 2024. 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 net cost to the FCC would be negligible, assuming appropriation actions consistent with that authority.

H.R. 1353 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost would not exceed the thresholds established in UMRA for intergovernmental mandates ($99 million in

2023, adjusted annually for inflation), but CBO cannot determine whether the aggregate costs of the private-sector mandates would exceed the threshold ($198 million in 2023, adjusted annually for inflation).

H.R. 1353 would expand an existing preemption of state laws governing the liability protections for providers of emergency connectivity services. Although the preemption would limit the application of state laws, CBO estimates that it would impose no duty on state governments that would result in additional spending or a loss of revenues.

The bill would expand liability protections for providers that use the new spectrum access granted under the bill to provide emergency connectivity services in unserved areas. Specifically, those providers would not be liable for some results of releasing or failure to release emergency alerts. The bill would impose a private-sector mandate by preventing other entities from bringing liability claims against those providers. CBO has no basis to estimate the number of possible lawsuits or related awards that would be precluded by the bill and cannot predict the amount of potential foregone damages. Therefore, CBO cannot determine whether the cost of the mandate would exceed the annual threshold established in UMRA for private-sector mandates.

The bill would allow existing spectrum license holders to have approval authority over requests for use of their spectrum from providers to serve emergency needs in unserved areas. However, license holders would be required to review those requests in a timely manner and engage with the provider submitting the request. The cost to comply with those mandates would be small because the license holders would still have broad discretion over the approval of those requests.

If the FCC increased fees to offset the costs associated with implementing the bill, H.R. 1353 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.

The CBO staff contacts for this estimate are David Hughes (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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