Congressional Budget Office
Cost Estimate

October 6, 2023

S. 1669, AM Radio for Every Vehicle Act of 2023

As reported by the Senate Committee on Commerce, Science, and Transportation on September 12, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	0
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	1	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?	Yes
		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, Under Threshold

* = between -$500,000 and $500,000.

S. 1669 would direct the Department of Transportation (DOT) to issue a rule requiring that AM broadcast stations be accessible in all passenger motor vehicles manufactured in, imported into, or shipped within the United States. (Passenger motor vehicles are those designed to primarily carry their operator and up to 12 passengers; the definition does not include motorcycles.) The bill would require DOT to issue the rule within one year of enactment and to report to the Congress at least every five years on the rule's effects.

Additionally, S. 1669 would require the Government Accountability Office (GAO) to study the role AM broadcasts in passenger vehicles play in disseminating emergency alerts through the Integrated Public Alert and Warning System. That study would need to be completed within 18 months of enactment.

Using information on the cost of issuing similar rules and studies, CBO estimates that implementing the bill would cost DOT and GAO a total of $1 million over the 2024-2028 period. Any spending would be subject to the availability of appropriated funds.

Additionally, S. 1669 would authorize DOT to assess civil penalties on manufacturers that fail to comply with the new rule; such penalties are recorded as revenues. CBO estimates that any additional revenues collected would total less than $500,000 over the 2024-2033 period because the number of violations would probably be small.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

The bill would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on the manufacturers of passenger vehicles sold in the United States by requiring them to provide access to AM broadcast stations in all passenger vehicles at no cost to the consumer. Prior to the regulation taking effect, manufacturers would be required to provide access to AM broadcast stations in unequipped vehicles at no cost if requested.

CBO expects this would primarily affect manufacturers of electric vehicles (EVs) who have removed, or announced plans to remove, standard AM radio equipment from their vehicles, though the bill would prohibit future phase-outs in gasoline and diesel passenger vehicles as well. Based on sales data, this would require manufacturers to update media equipment and infotainment software in about 2.5 to 3 million EVs per year. Because the unit costs of those updates are small, CBO estimates the total cost of the mandate would be several millions of dollars each year the requirement is in effect and would not exceed the annual threshold established in UMRA for private-sector mandates ($198 million in 2023, adjusted annually for inflation).

The bill also would preempt state and local laws by prohibiting those entities from enforcing any laws or regulations pertaining to the access of AM broadcast stations in passenger vehicles. CBO estimates that the preemption would not result in an increase in or loss of revenue to state or local governments and therefore would fall well below the threshold in UMRA for intergovernmental mandates ($99 million in 2023, adjusted annually for inflation).

The CBO staff contacts for this estimate are Robert Reese (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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