

S. 1611, Developing Innovation and Growing the Internet of Things Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 10, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	7	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

S. 1611 would require the Department of Commerce (DOC) to convene a federal interagency working group to report to the Congress on the Internet of things (IoT).¹ The group would be required to identify laws and regulations that inhibit or promote IoT deployment, examine current and future federal IoT use, and recommend federal IoT security measures. The working group would consult with academic stakeholders and with those in the public, private, and nonprofit sectors.

S. 1611 also would establish a steering committee within DOC to advise the working group on IoT issues. Topics of study would include the economic effects of IoT and the availability of electromagnetic spectrum to meet users' demands. The committee would submit its findings to the working group, which would report them to the Congress.

Finally, under S. 1611 the Federal Communications Commission (FCC), in consultation with the National Telecommunications and Information Administration, would seek public comments on current and future spectrum needs to ensure adequate IoT connectivity and to report those findings to the Congress.

Using information from the affected agencies, CBO estimates that implementing S. 1611 would cost \$7 million over the 2020-2021 period for DOC to hire about 22 employees to

1. The IoT consists of devices connected to one another and to a network for exchanging data without human interaction. See Suzy E. Park, *Internet of Things (IoT): An Introduction*, In Focus Report 11239 (Congressional Research Service, June 4, 2019), <https://go.usa.gov/xVcdR>.



convene the working group and to issue the mandated reports. Such spending would be subject to appropriation of the estimated amounts.

CBO also expects that participating in the working group and completing the spectrum report would cost the FCC less than \$500,000. The FCC is authorized to collect fees sufficient to offset the costs of its regulatory activities each year; therefore, CBO estimates that the net cost of those activities would be negligible, assuming appropriation actions consistent with that authority.

If the FCC increases annual fee collections to offset the costs of implementing provisions in the bill, S. 1611 would increase the cost of an existing private-sector mandate on entities required to pay those fees. Using information from the FCC, CBO estimates that the incremental cost of the mandate would be small—less than \$500,000—and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$164 million, adjusted annually for inflation).

S. 1611 contains no intergovernmental mandates as defined in UMRA.

This revised estimate supersedes the estimate for [S. 1611](#), the Developing Innovation and Growing the Internet of Things Act that was transmitted on August 16, 2019. This estimate includes a private-sector mandate statement that was missing from the previous estimate. CBO's estimate of the federal costs is unchanged.

The CBO staff contact for this estimate is David Hughes. The estimate was reviewed by Theresa Gullo, Assistant Director for Budget Analysis.