



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 2, 2003

H.R. 1086 **Standards Development Organization Advancement Act of 2003**

As reported by the Senate Committee on the Judiciary on November 6, 2003

H.R. 1086 would provide certain protections from antitrust laws to standards development organizations (SDOs) if they disclose the scope and nature of the organization's activity to the Department of Justice and the Federal Trade Commission. (SDOs are nonprofit organizations that plan, develop, establish, or coordinate voluntary consensus standards for use by industry and government.) Under antitrust laws, the Department of Justice and the Federal Trade Commission are required to publish notices of SDO activities in the *Federal Register*. CBO estimates, that the cost of publishing such routine notifications would not be significant in any year over the 2004-2008 period because of the small number of notices that are likely to be filed.

The act also would increase the maximum fines for violating antitrust law. Collections of such fines are recorded as revenues, deposited into the Crime Victims Fund, and spent in subsequent years. Based on information provided by the Department of Justice, CBO estimates that enacting H.R. 1086 would not have significant effect on revenues or direct spending.

H.R. 1086 would expand the scope of an existing preemption of state antitrust laws to apply to SDOs. Such a preemption is an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). However, CBO estimates that this mandate would impose no costs on state, local, or tribal governments and, therefore, would not exceed the threshold in UMRA (\$60 million in 2004, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

On May 19, 2003, CBO transmitted a cost estimate for H.R. 1086 as ordered reported by the House Committee on the Judiciary on May 7, 2003. The two versions of the bill are similar and our cost estimates are identical.

The CBO staff contact for this estimate is Melissa E. Zimmerman. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.