



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 13, 2008

S. 2507

DTV Border Fix Act of 2008

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 24, 2008*

SUMMARY

S. 2507 would authorize the Federal Communications Commission (FCC) to renew licenses for certain television stations to broadcast analog signals through February 17, 2014. Under current law, all full-power television stations are required to switch from analog to digital broadcasts on February 17, 2009; the bill would give stations operating within 50 miles of the United States border with Mexico an additional five years to make the conversion to digital broadcasts. The bill would place certain restrictions on a station's ability to receive an analog renewal.

CBO estimates that enacting this bill would increase direct spending by about \$10 million over the 2009-2013 period by reducing offsetting receipts from FCC auctions of licenses to use the electromagnetic spectrum. CBO estimates that the additional rulemaking activity that would be required under the bill to assign new channels would not have a significant effect on spending subject to appropriation. Enacting the bill would not affect revenues.

S. 2507 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would ease an existing mandate by allowing certain public television stations to broadcast an analog signal until 2014, provided those stations meet certain requirements.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2507 is shown in the following table. The costs of this legislation fall within budget function 950 (undistributed offsetting receipts).

	By Fiscal Year, In Millions of Dollars										
	2009	2010	2011	2012	2013	2014	2015	2017	2018	2009-2013	2009-2018
CHANGES IN DIRECT SPENDING											
Estimated Budget Authority	0	5	5	0	0	0	0	0	0	10	10
Estimated Outlays	0	5	5	0	0	0	0	0	0	10	10

BASIS OF ESTIMATE

Based on information from the FCC, CBO expects that, under the bill, 33 stations would be eligible to continue to broadcast analog signals after the February 2009 conversion deadline, including stations in San Diego and El Paso. About half of those stations would need a new channel assignment to prevent interference with other analog or digital stations if they chose to take advantage of the extension.

Under current law, CBO expects that the FCC will auction construction permits or other types of licenses for frequencies within the television band (channels 2 through 51) that will be vacated after the transition to digital. Allowing certain stations to continue their analog operations would reduce the number of channels that could be reassigned and auctioned for new uses before the FCC's auction authority expires at the end of fiscal year 2011. Based on the amounts paid for similar licenses, CBO estimates that implementing this bill would reduce auction receipts by about \$10 million over the 2009-2013 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2507 contains no intergovernmental or private-sector mandates as defined UMRA. The bill would ease an existing mandate by allowing certain television stations to broadcast an analog signal until 2014, provided those stations meet certain requirements.

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