



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 20, 2012

H.R. 3674
Promoting and Enhancing Cybersecurity and Information Sharing
Effectiveness Act of 2012

As ordered reported by the House Committee on Homeland Security on April 20, 2012

SUMMARY

H.R. 3674 would authorize appropriations for the Department of Homeland Security's (DHS's) National Cybersecurity and Communications Integration Center (NCCIC). The bill also would authorize the Secretary of DHS to establish new programs to provide cybersecurity training for state and local officials. CBO estimates that implementing H.R. 3674 would result in additional discretionary spending totaling \$28 million over the next five years, assuming appropriation of the necessary amounts.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 3674 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that implementing the mandate would not affect the budgets of state, local, or tribal governments. The bill contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3674 is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
National Cybersecurity and Communications Integration Center						
Authorization Level	4	4	4	0	0	12
Estimated Outlays	3	4	4	1	0	12
Cybersecurity Domestic Preparedness Training for State and Local Authorities						
Estimated Authorization Level	0	3	5	8	8	24
Estimated Outlays	0	1	3	5	7	16
Total Changes						
Estimated Authorization Level	4	7	9	8	8	36
Estimated Outlays	3	5	7	6	7	28

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted in late 2012, and that the necessary amounts will be appropriated each year. Under current law, DHS’s Office of Cybersecurity and Communications (CS&C) performs most of the activities authorized by the bill. CS&C has received appropriations totaling approximately \$600 million in fiscal year 2012 to perform those functions on behalf of DHS.

National Cybersecurity and Communications Integration Center

Section 4 would codify the authority for DHS to operate the NCCIC, which was established in October of 2009. The NCCIC is a watch and warning center that monitors threats to the nation’s information technology and cyber infrastructure. The bill would authorize \$4 million for the NCCIC for fiscal years 2013, 2014, and 2015, slightly less than the \$4.5 million received by the center so far in 2012. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost \$12 million over the 2013-2017 period.

Cybersecurity and Domestic Preparedness Training for State and Local Authorities

Section 6 would authorize the Secretary of DHS to establish centers to provide cybersecurity training to state and local first responders and other officials. While DHS has not determined how it would utilize the authorities provided by this provision, CBO expects that such training would be provided at DHS’s information and threat-sharing

centers (fusion centers). Those centers are used to facilitate information sharing among federal, state, and local authorities. DHS organizes the centers, which are in every state and many metropolitan areas across the country, into nine geographic regions. Assuming that DHS eventually implements such training programs for all nine geographic regions, and that the costs to provide the training are comparable to similar training programs, such as the Cyber Security Education Consortium, CBO estimates that implementing this provision would cost \$16 million over the 2013-2017 period, assuming the appropriation of the necessary amounts.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3674 would impose an intergovernmental mandate as defined in UMRA because it would preempt state privacy and disclosure laws relating to the interception, acquisition, use, and disclosure of communications and system traffic transmitted to or from federal systems. While that preemption would limit the application of state laws, it would impose no duty on states that would result in additional spending. Therefore, CBO estimates that the mandate would not affect the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no new private-sector mandates as defined in UMRA.

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