

H.R. 8520, Countering Untrusted Telecommunications Abroad Act

As ordered reported by the House Committee on Foreign Affairs on July 28, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	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 2033?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 8520 would authorize the Department of State and the U.S. Trade and Development Agency (USTDA) to provide diplomatic and technical support to countries that are working to secure their telecommunications infrastructure. USTDA offers feasibility studies, technical assistance, and other support in the early stages of infrastructure projects, including telecommunications projects such as building 5G networks.

H.R. 8520 also would require the department to report to the Congress on telecommunications equipment and services produced entities owned or controlled by the People’s Republic of China or the Russian Federation that are being used by U.S. embassies and U.S. allies. It also would require public companies to report annually to the U.S. Securities and Exchange Commission (SEC) on their use of such equipment or services.

On the basis of information from the department and USTDA, CBO expects that the bill’s requirements to promote secure telecommunications infrastructure overseas would be met under existing programs and activities. Using information about similar reports, CBO estimates that satisfying the reporting requirements under the bill would cost less than \$500,000 over the 2022-2027 period. Such spending would be subject to the availability of appropriated funds.

Using information about the cost of similar disclosure requirements, CBO estimates that issuing the rules necessary to implement H.R. 8520 would cost the SEC \$1 million in 2023. However, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that the net effect on discretionary spending would be insignificant, assuming appropriation actions consistent with that authority.

H.R. 8520 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost would not exceed the threshold established in UMRA (\$184 million in 2022, adjusted annually for inflation).

If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 8520 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of the mandate would be small.

The bill also would require issuers of securities to report to the SEC any use of telecommunication equipment or services provided by an entity owned or controlled by the People's Republic of China or the Russian Federation (including Huawei Technologies and ZTE Corporation). The cost to comply with the mandate would be small because there are only a few mandated entities using such equipment and a reporting process is already in place.

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sunita D'Monte and David Hughes (for federal costs) and Rachel Austin and Brandon Lever (for mandates). The estimate was reviewed by Theresa Gullo, Director of Budget Analysis.