



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 16, 2011

### **H.R. 3523** **Cyber Intelligence Sharing Act**

*As ordered reported by the House Permanent Select Committee on Intelligence  
on December 1, 2011*

H.R. 3523 would amend the National Security Act of 1947 to require the Director of National Intelligence (DNI) to establish procedures to promote the sharing of information about cyberthreats between intelligence agencies and the private sector. The DNI also would be directed to establish guidelines for granting security clearances to employees of the private-sector entities with which the government shares such information. CBO estimates that implementing the bill would have a discretionary cost of \$15 million over the 2012-2016 period, assuming appropriation of the necessary amounts. Enacting H.R. 3523 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO anticipates additional personnel would be needed to administer the program and to manage the exchange of information between intelligence agencies and the private sector. Based on information from the DNI and the Office of Personnel Management, CBO estimates that those activities would cost approximately \$3 million annually over the 2012-2016 period, assuming appropriation of the necessary amounts.

The bill would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), by extending civil and criminal liability protection to entities and cybersecurity providers that share or use cyberthreat information. The bill also would impose additional intergovernmental mandates by preempting state laws. Because CBO is uncertain about the number of cases that would be limited and any forgone compensation that would result, CBO cannot determine whether the costs of the mandate would exceed the annual threshold established in UMRA for private-sector mandates (\$142 million in 2011, adjusted annually for inflation). However, CBO estimates that the aggregate costs of the mandates on public entities would fall below the threshold for intergovernmental mandates (\$71 million in 2011, adjusted annually for inflation).

The CBO staff contacts for this estimate are Jason Wheelock (for federal costs), J'nell J. Blanco (for the intergovernmental impact), and Elizabeth Bass (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.