



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

May 7, 2002  
(House)

## STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

### H.R. 4560 - Auction Reform Act

(Rep. Tauzin (R) Louisiana and 54 cosponsors)

The Administration supports House passage of H.R. 4560. The version of the bill that the Administration understands will be considered on the House floor would postpone the auctions scheduled for June 19, 2002, of spectrum in the 700 MHz band by the Federal Communications Commission (FCC) but require that these auctions be held by September 30, 2007, when the FCC's current auction authority expires. The Administration believes that the auctions, as currently scheduled, would be premature and contrary to the public interest until more certainty exists about the means for and timing of clearing this spectrum.

### Pay-As-You-Go Scoring

Any law that would reduce receipts or increase direct spending is subject to the PAYGO requirements of the Balanced Budget and Emergency Deficit Control Act (BEA) and could cause a sequester of mandatory programs in any fiscal year through 2006. The requirement to score PAYGO costs expires on September 30, 2002, and there are no discretionary caps beyond 2002. The Administration will work with Congress to ensure fiscal discipline consistent with the President's budget and a quick return to a balanced budget. The Administration will also work with Congress to ensure that any unintended sequester of spending does not occur.

OMB preliminary scoring indicates that H.R. 4560 would reduce receipts by \$5.4 billion in 2003 and 2004, but increase receipts by \$8.3 billion in 2005 and 2006, for a net budget savings of \$2.9 billion. Final scoring may deviate from these estimates.

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