



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 15, 2018

S. 2418

Rural Reasonable and Comparable Wireless Access Act of 2018

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on May 22, 2018*

S. 2418 would direct the Federal Communications Commission (FCC) to conduct a rulemaking to establish a national standard for Universal Service Fund (USF) programs to use when determining whether mobile broadband service in rural areas is reasonably comparable to such service in urban areas.¹ Under current law, there is no national standard for comparing mobile broadband in rural and urban areas. The FCC also would be required to gather data on mobile broadband service and periodically report to the Congress on the status of the rulemaking.

Using information from the FCC, CBO estimates that implementing S. 2418 would cost \$1 million over the 2018-2023 period for the agency to conduct a rulemaking and to produce the required reports. However, under current law, the FCC is authorized to collect fees sufficient to offset the costs of its regulatory activities each year; therefore, CBO estimates that the net cost to the FCC to implement the bill would be insignificant, assuming appropriation actions consistent with that authority.

The cash flows of the USF are recorded in the budget as direct spending (for amounts distributed from the fund) and as revenues (for receipts into the fund). Because S. 2418 could affect eligibility for USF programs, pay-as-you-go procedures apply. However, CBO has no basis for estimating the outcome of future FCC rulemakings that could affect the cost of USF programs to support broadband services in rural areas; costs could increase, decrease, or remain the same.

CBO estimates that enacting S. 2343 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2418 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

1. The Universal Service program is administered by the Federal Communications Commission (FCC) and is intended to promote the availability of telecommunications services at affordable rates.

If the FCC increases annual fee collections to offset the costs of the rulemaking and analysis required by the bill, S. 2418 would increase the cost of an existing private-sector mandate on commercial entities required to pay those fees. Using information from the FCC, CBO estimates that the incremental cost of the mandate would be small—approximately \$1 million over the 2019-2023 period—and would fall well below the annual threshold established in UMRA for private-sector mandates (\$180 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.