



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 17, 2017

### **S. 875**

#### **A bill to require the Comptroller General of the United States to conduct a study and submit a report on filing requirements under the Universal Service Fund programs**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation on June 29, 2017*

S. 875 would require the Government Accountability Office (GAO) to undertake a study and produce a report on consolidating filing requirements for participants in Universal Service Fund (USF) programs. Under the bill, the Federal Communications Commission (FCC) would be required to initiate a rulemaking that includes recommendations from the GAO report and an analysis of whether the benefits of consolidated filing outweigh the potential risks of increased waste, fraud, and abuse in the USF program.

Based on an analysis of information from the FCC, CBO estimates that implementing the provisions of S. 875 would require four additional employees and cost \$1 million over the 2018-2022 period for FCC to conduct the rulemaking and to produce the required analysis. 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 S. 875 would be negligible, assuming appropriation actions consistent with that authority. Based on the costs of similar reports produced by GAO, CBO estimates that the costs to the agency to conduct the required analysis and report would not be significant.

Enacting S. 875 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 875 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 875 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

If the FCC increases annual fee collections to offset the costs of the rulemaking and analysis required by the bill, S. 875 would increase the cost of an existing private-sector mandate on commercial entities required to pay those fees. Based on information from the FCC, CBO estimates that the incremental cost of the mandate would be small—no more

than about \$1 million over the 2018-2022 period—and would fall well below the annual threshold established in UMRA for private-sector mandates (\$156 million in 2017, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.