Congressional Budget Office
Cost Estimate

May 9, 2019

S. 151, TRACED Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 3, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	n.e.

Pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
		Contains intergovernmental mandate?	No
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains private-sector mandate?	Yes, Cannot Determine Costs

n.e. = not estimated; * = between -$500,000 and $500,000.

S. 151 would authorize the Federal Communications Commission (FCC) to levy additional civil penalties on people who intentionally violate restrictions on the use of automated telephone equipment (that is, illegal robocallers and spoofers).[1] In addition, S. 151 would extend the period in which intentional violators are subject to enforcement, and the FCC would be required to report to the Congress annually on its enforcement.

The bill also would direct the FCC to require voice service providers (VSPs) to implement—within 18 months of enactment—the framework known as STIR/SHAKEN (secure telephone identity revisited and signature-based handling of asserted information using tokens) to authenticate caller ID in their Internet protocol networks. The FCC would be required to assess the implementation and efficacy of the STIR/SHAKEN framework and periodically report to the Congress.

S. 151 also would direct the Department of Justice to form an interagency working group to study prosecutions related to restrictions on the use of automated telephone equipment and report the findings to the Congress.

1. Robocallers use automatic dialing systems or artificial or prerecorded voices to place calls without the recipients' consent. Spoofers disguise their identities by altering or manipulating information shown on caller ID. Both actions are subject to enforcement by the FCC.

Budgetary Effects

CBO estimates that additional penalties collected under S. 151, which are recorded in the budget as revenues, would be insignificant because it would probably be difficult to collect assessed penalties.

Using information from the FCC, CBO estimates that the agency's cost to implement the bill would total $1 million over the 2019-2024 period. However, because the FCC is authorized to collect fees sufficient to offset its regulatory costs, CBO estimates that the net cost would be negligible, assuming appropriation actions consistent with that authority.

CBO also estimates that the cost of the operating an interagency working group would not be significant and would be subject to the availability of appropriated funds. The only exception would be the costs associated with the Consumer Financial Protection Bureau's participation in the working group. Any spending by the bureau, which CBO estimates would not be significant, would be considered mandatory.

Private-Sector Mandates

S. 151 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO cannot determine whether those mandates' aggregate costs would exceed the UMRA threshold ($164 million in 2019, adjusted annually for inflation).

Under current law, the FCC has encouraged VSPs to develop call authentication procedures that are equivalent to the STIR/SHAKEN framework by November 2019. If VSPs do not voluntarily meet that standard within a year of enactment, the bill would direct the FCC to require them to adopt the STIR/SHAKEN framework within 18 months of enactment. The mandate's cost would be the expenses incurred by VSPs to match or adopt the framework as established through FCC regulation. Because CBO cannot anticipate the rate or degree of compliance at the one-year mark, we cannot determine whether the mandate's costs would exceed the private-sector threshold.

S. 151 would impose an additional private-sector mandate by removing a private right of action. The bill would limit the right of plaintiffs to file suit against certain VSPs for unintended or inadvertent blocking of calls. The cost of the mandate would be the forgone net value of awards and settlements that would have been granted for such claims in the absence of the bill. CBO has no basis on which to estimate the number of possible lawsuits that would be precluded by the bill and cannot predict the amount of potential forgone settlements. Therefore, we cannot determine whether the cost of the mandate would exceed the annual threshold.

Finally, if the FCC increased fees to offset the costs of implementing activities required by the bill, the cost of an existing private-sector mandate also would increase. Using information from the FCC, CBO estimates that the increase would total about $1 million over the 2019-2024 period.

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