Congressional Budget Office
Cost Estimate

May 12, 2022

At a Glance

S. 120, Safe Connections Act of 2022
As passed by the Senate on March 17, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Statutory pay-as-you-go procedures apply?	**Yes**	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	**No**	Contains intergovernmental mandate?	**No**
		Contains private-sector mandate?	**Yes, Under Threshold**

* = between -$500,000 and $500,000.

The act would

- Require the Federal Communications Commission (FCC) to issue rules to allow a domestic violence survivor to freely disconnect from a service contract shared with their abuser
- Impose mandates by requiring mobile service providers to offer a separate line on a shared phone contract for domestic violence survivors

Estimated budgetary effects would mainly stem from

- Spending subject to appropriation for the FCC to issue rules and complete an evaluation
- Changes in direct spending and revenues by permitting domestic violence survivors to qualify for the Lifeline program

Detailed estimate begins on the next page.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

Legislation Summary

S. 120 would require the Federal Communications Commission (FCC) to:

- Issue rules that require mobile service providers, upon request, to separate the line of a domestic violence survivor from a mobile service contract that they share with their convicted or alleged abuser;
- Issue rules that allow a domestic violence survivor suffering from financial hardship to participate in the Lifeline program or Affordable Connectivity Program without meeting all of the current eligibility requirements;
- Evaluate the effectiveness of relaxing the Lifeline program or Affordable Connectivity Program eligibility requirements for domestic violence survivors; and
- Conduct a rulemaking to consider whether it should require voice service providers to omit calls or text messages to domestic violence hotlines from any consumer-facing records.

Estimated Federal Cost

The costs of the legislation fall with budget function 370 (commerce and housing credit).

Basis of Estimate

CBO assumes that S. 120 will be enacted near the end of fiscal year 2022.

Spending Subject to Appropriation

Using information from the FCC, CBO estimates that implementing S. 120 would cost $3 million over the 2022-2026 period to conduct rulemakings and evaluate the changes to the Lifeline program. However, because the FCC is authorized to collect fees each year sufficient to offset the appropriated costs of its regulatory activities, CBO estimates that the net cost to the FCC would be negligible, assuming appropriation actions consistent with that authority.

Direct Spending and Revenues

S. 120 would require the FCC to select either the Lifeline program or the Affordable Connectivity Program to provide emergency communications support to domestic violence survivors for six months who request it. CBO assumes that the commission would select the Lifeline program because it is permanently funded. CBO expects that more people would use the Lifeline program as eligibility requirements are expanded for domestic violence survivors.

Under current law, the program provides a discount on phone or Internet service for eligible low-income consumers and is funded through assessments on telecommunications carriers.

Those assessments, which are treated as revenues in the federal budget, may be spent without further appropriation on the Lifeline program. CBO estimates that the FCC, through the Universal Service Administrative Company (USAC), would levy additional assessments on telecommunications carriers to cover the cost of more people using the program. Those additional assessments would be levied starting in 2024 after the commission completes the required rulemakings.

Using information about the number of domestic violence survivors annually, CBO estimates that under S. 120, about 17,100 additional individuals would participate in the Lifeline program for 6 months each year. At a cost of about $120 per subscriber, CBO estimates that demand for Lifeline would increase by about $1 million each year, yielding revenue increases of $8 million over the 2024-2031 period. Because USAC may spend what it collects, CBO estimates that direct spending would increase by the same amount.

Increase in Long-Term Deficits: None.

Mandates

S. 120 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on providers of mobile phone services. CBO estimates that the cost to comply with the mandates would not exceed the threshold established in UMRA ($170 million in 2021, adjusted annually for inflation).

By requiring mobile service providers to offer a separate line on a shared phone contract if a survivor of domestic violence requests one, the act would impose a private-sector mandate. In addition, the act would prohibit providers from charging fees, requiring approval from a primary account holder, maintaining billing information, or otherwise limiting such customers' access to separate phone lines. Using information from industry sources and an analysis of current state laws, CBO expects that the cost to providers would fall below the threshold established in UMRA for private-sector mandates.

The act also would require providers to publicize the program. According to industry sources, the incremental cost to comply with that mandate would be small.

If the FCC increased fees to offset the costs associated with the line separation requirements in the act, S. 120 would increase the cost of an existing mandate on private entities required to pay those fees. CBO estimates that the incremental cost of that mandate would be small.

If the assessments paid by telecommunications carriers to fund the Lifeline program, which provides discounts to low-income subscribers, were increased to offset the costs of increased program participation due to the act, S. 120 would increase the cost of an existing mandate on private entities required to pay those fees. However, CBO estimates that the incremental cost of that mandate would be small and would fall well below the UMRA threshold.

S. 120 contains no intergovernmental mandates as defined in UMRA.

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