CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 20, 2007

H.R. 251
Truth in Caller ID Act of 2007

As ordered reported by the House Committee on Energy and Commerce on March 15, 2007

SUMMARY

H.R. 251 would amend the Communications Act of 1934 to prohibit caller identification services (known as Caller ID) from transmitting misleading or inaccurate caller identification information with the intent to defraud or cause harm. Prohibitions under the bill would apply to both traditional telephone and voice over Internet protocol (VOIP) services. Caller ID allows consumers to see the names and telephone numbers of incoming calls. The Federal Communications Commission (FCC) would be required to develop regulations to implement the new restriction.

Assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost about $5 million over the 2008-2012 period. Enacting the bill also would affect federal revenues by increasing collections of fines and penalties, but CBO estimates that any such increase would not be significant.

H.R. 251 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 251 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by the start of 2008 and that spending will follow historical patterns for similar FCC programs.

Based on information from the FCC and subject to the availability of appropriated funds, CBO estimates that implementing the bill would cost $1 million annually in each subsequent year to issue and enforce the new regulations.

Enacting the bill would likely increase federal revenues as a result of collection of additional civil penalties assessed for violations of the new law and regulations. Collections of civil penalties are recorded in the budget as revenues. CBO estimates, however, that any additional revenues that would result from enacting the bill would not be significant because of the relatively small number of cases likely to be involved.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 251 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

COMPARISON WITH OTHER ESTIMATES

On February 15, 2007, CBO transmitted a cost estimate for H.R. 740, the Preventing Harassment through Outbound Number Enforcement (PHONE) Act of 2007, as ordered reported by the House Committee on the Judiciary on February 7, 2007. That bill would establish a new federal crime for the fraudulent use of caller ID information but would not require new FCC regulations. CBO estimated that implementing H.R. 740 would have no significant cost to the federal government. Enacting H.R. 740 could affect direct spending and revenues, but CBO estimated that any such effects would not be significant.

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