



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 27, 2007

S. 781

Do-Not-Call Registry Fee Extension Act of 2007

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on August 2, 2007*

SUMMARY

S. 781 would authorize the Federal Trade Commission (FTC) to continue to collect and spend fees to operate and enforce the "do-not-call" registry. The registry contains a list of consumers who telemarketing firms are prohibited from calling because the consumers have notified the FTC that they do not wish to receive such calls. The bill also would require the FTC to prepare two reports about the use and effectiveness of the registry.

Based on information from the FTC, CBO estimates that the FTC would collect a total of \$107 million under the bill over the 2008-2012 period and spend \$105 million over that period, assuming appropriation actions consistent with the bill. Over the five-year period, CBO estimates that implementing S. 781 would decrease net spending subject to appropriation by \$2 million. Enacting S. 781 would not affect direct spending or revenues.

S. 781 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

S. 781 would impose a private-sector mandate, as defined in UMRA, by making permanent the authority of the FTC to collect fees from telemarketing firms. CBO expects that the costs of that mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$131 million, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 781 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					
Gross FTC Spending for the Do-Not-Call Registry					
Estimated Authorization Level	21	21	21	22	22
Estimated Outlays	19	21	21	22	22
Offsetting Collections from Telemarketers					
Estimated Authorization Level	-21	-21	-21	-22	-22
Estimated Outlays	-21	-21	-21	-22	-22
Net Changes to FTC Spending for the Do-Not-Call Registry					
Estimated Authorization Level	0	0	0	0	0
Estimated Outlays	-2	0	0	0	0

BASIS OF ESTIMATE

S. 781 would authorize the FTC to collect fees sufficient to operate and enforce the "do-not-call" registry, contingent on approval of the fees in annual appropriation acts. For this estimate, CBO assumes that S. 781 and the necessary appropriation provisions will be enacted early in fiscal year 2008. In 2006, the FTC incurred costs of about \$19 million and collected fees of approximately \$22 million to operate and enforce the "do-not-call" registry; CBO expects that collections and spending in 2007 will be similar.

The bill would set fees for firms that wish to subscribe to the registry at rates lower than the FTC is currently charging. Based on information from the commission, CBO expects that the lower fees authorized by the bill would still be sufficient to cover the costs of operating the registry. CBO estimates that the FTC would collect \$107 million over the 2008-2012 period and spend \$105 million, assuming the necessary appropriation actions. Over the five-year period, CBO estimates that implementing S. 781 would result in a reduction of \$2 million in net spending subject to appropriation.

CBO estimates that the cost of preparing two reports for the Congress regarding the effectiveness of the registry would be less than \$500,000, subject to the availability of appropriated funds.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 781 contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 781 would amend the Do-Not-Call Implementation Act (Public Law 108-10) to make permanent the authority of the FTC to collect fees in order to implement and enforce the "Do-Not-Call" registry. The authority to collect those fees is set to expire at the end of fiscal year 2007. Under current law, telemarketing firms are required to periodically update their phone number databases to reflect the updated list of numbers that are added to the "Do-Not-Call" list. The bill would permanently extend the authority of the FTC to collect fees from those firms for using this list. The duty on telemarketing firms to pay those fees would constitute a new mandate. CBO estimates that extending the fees would amount to approximately \$107 million over the next five years. Consequently, the costs of the mandate would fall below the annual threshold established by UMRA for private-sector mandates (\$131 million, adjusted annually for inflation).

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