



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 28, 2014

H.R. 1575 **Kelsey Smith Act**

As ordered reported by the House Committee on Energy and Commerce on July 30, 2014

CBO estimates that implementing H.R. 1575 would have a negligible net cost over the 2015-2019 period. Enacting H.R. 1575 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1575 would require telecommunications providers, upon request, to share data about the location of a call placed from a mobile phone or through an IP-enabled voice service under certain circumstances. The request for location information must be made by a law enforcement officer responding to an emergency call or an emergency situation where a person's life may be in danger. The bill would require the Federal Communications Commission (FCC) to develop rules to implement the new requirement within six months of enactment.

Based on information from the FCC, CBO expects that implementing the rulemaking activities required under the bill would not have a significant effect on the agency's workload or budget. In addition, the FCC is authorized to collect fees sufficient to cover its annual appropriation; therefore, CBO estimates that implementing H.R. 1575 would have a negligible effect on net discretionary costs, assuming appropriation action consistent with that authority.

H.R. 1575 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring telecommunications providers to share the location of cell phones in emergency situations. Currently, telecommunications providers supply cell phone location data upon request when certain internal criteria of the providers are met or when law enforcement officials present a warrant for the information. This bill would require telecommunications providers to supply location data immediately in all cases identified as an emergency by law enforcement officials, without being presented with a warrant and without subjecting the request to those internal criteria. Because telecommunications companies already frequently supply location information to law enforcement officials, the incremental cost of the mandate would be small.

In addition, the bill would prohibit plaintiffs from filing a civil action against telecommunication providers for supplying location information in compliance with the bill. By eliminating an existing right to seek compensation for damages, the bill would impose a private-sector mandate. The cost of the mandate would be the forgone net value of awards and settlements of such claims. Because we are uncertain about the number of claims against telecommunications providers that would be successful and about the value of awards or settlements in those cases, CBO has no basis to estimate the cost of this mandate for plaintiffs. Therefore, CBO cannot determine whether the aggregate cost of the private-sector mandates in the bill would exceed the annual threshold established in UMRA for such mandates (\$152 million, in 2014, adjusted annually for inflation).

H.R. 1575 also would impose an intergovernmental mandate by prohibiting public entities from initiating civil or administrative proceedings against providers that relay requested information and other assistance. CBO estimates that the cost, if any, for public entities to comply with that mandate would be minimal and well below the annual threshold established in UMRA (\$76 million in 2014, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susan Willie (for federal costs), Melissa Merrell (for intergovernmental mandates), and Marin Burnett (for private-sector mandates). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.