



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

March 12, 2001

**H.R. 496**  
**Independent Telecommunications Consumer Enhancement Act of 2001**

*As ordered reported by the House Committee on Energy and Commerce  
on February 28, 2001*

H.R. 496 would exempt small telecommunications carriers from certain rules and reporting requirements administered by the Federal Communications Commission (FCC). The bill also would require the FCC to grant or deny merger petitions from these companies within 60 days, and all reconsideration and waiver petitions within 90 days.

CBO estimates that H.R. 496 would have no significant impact on the federal budget. However, the bill could affect direct spending, so pay-as-you-go procedures would apply. H.R. 496 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Based on information from the FCC, CBO estimates that implementing H.R. 496 would cost the agency about \$3 million in the first year after enactment and \$2 million a year thereafter. The commission would need more staff to investigate the costs incurred by small telecommunications carriers, which the bill would exempt from certain reporting requirements. The FCC also would have to hire additional personnel to review merger, reconsideration, and waiver petitions in order to meet the bill's deadlines for acting on such petitions. Under current law, enforcement and regulatory costs that the agency incurs are offset by fees charged to the industries that the FCC regulates. Therefore, CBO expects that the net costs of implementing these provisions would be negligible.

H.R. 496 would affect application fees the FCC collects to offset costs associated with tariff filings and other applications from the telecommunications industry. Those licensing fees are recorded in the budget as offsetting receipts. Based on information from the FCC, CBO expects that, under H.R. 496, small telecommunications carriers might file slightly fewer tariffs. However, CBO estimates that the effect on application fees would not be significant.

The CBO staff contact for this estimate is Ken Johnson. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.