CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 5, 2007

S. 1769
Same Number Act of 2007

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 19, 2007

S. 1769 would require the Federal Communications Commission (FCC) to establish standards that would allow voice-service customers to maintain the same phone number when switching between providers. In addition, S. 1769 would require the FCC to designate one or more impartial entities to administer telecommunications and voice-service numbering and would require the FCC to report on the effectiveness of number portability performance standards every year. The FCC would collect fees from voice-service providers to cover the cost of establishing numbering arrangements.

Based on information from the FCC and assuming the availability of appropriated funds, CBO estimates that implementing S. 1769 would cost less than $500,000 in each of the fiscal years from 2008 to 2012. The FCC already has number portability programs in place for other types of telecommunications providers, and CBO estimates that implementing the bill would not significantly affect FCC spending for such programs. Further, the FCC expects that it would not collect significant new net receipts in any year because it has numbering administration arrangements already in place. Enacting S. 1769 would not affect revenues.

S. 1769 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no cost on state, local or tribal governments.

S. 1769 would impose new private-sector mandates, as defined in UMRA, on providers of voice services including wireless, wireline, and Voice-over-Internet-Protocol. The bill would require providers of voice services to make number portability available in accordance with requirements prescribed by the FCC and to submit reports to the FCC on their activities related to number portability. CBO cannot determine whether the aggregate direct costs of complying with those mandates would exceed the annual threshold for private-sector mandates established in UMRA ($131 million in 2007, adjusted annually for inflation) because such costs would depend on the regulations to be issued under the bill.

The bill would direct the FCC to implement standards for number portability among all providers of voice services that at a minimum establish:

- Expeditious time frames for each class of number portability; and

- Requirements governing the exchange of data between voice-service providers in connection with number portability.

Because those standards have not been established, CBO cannot estimate the cost to the private sector for complying with such regulations.

In addition, the bill would require providers of voice services to submit a report each year to the FCC on their number portability activity. According to the FCC and industry sources, voice-service providers currently record such information for their own business purposes. Consequently, CBO estimates that the cost of complying with this reporting requirement would be small relative to UMRA's annual threshold.

The CBO staff contacts for this estimate are Tyler Kruzich (for federal costs) and Jacob Kuipers (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.