

## At a Glance

### S. 1207, EARN IT Act of 2023

As reported by the Senate Committee on the Judiciary on May 15, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	1	8	not estimated

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	<b>&lt; \$2.5 billion</b>	Statutory pay-as-you-go procedures apply?	<b>Yes</b>
<b>Mandate Effects</b>			
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	<b>No</b>	Contains intergovernmental mandate?	<b>Yes, Under Threshold</b>
		Contains private-sector mandate?	<b>Yes, Under Threshold</b>

\* = between -\$500,000 and \$500,000.

#### The bill would

- Require the Department of Justice (DOJ) to develop information technology tools to combat online child exploitation
- Establish a National Commission on Online Child Sexual Exploitation Prevention
- Limit immunity for providers in federal civil lawsuits regarding child sexual abuse content of their users
- Impose private-sector and intergovernmental mandates on providers of interactive computer services by expanding requirements for their reports of online sexual exploitation to the CyberTipline

#### Estimated budgetary effects would mainly stem from

- Procurement and contracting costs for DOJ
- Administrative and personnel costs for the CyberTipline and the National Commission on Online Child Sexual Exploitation Prevention
- Revenues and associated direct spending from additional court fees

**Detailed estimate begins on the next page.**

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

## Bill Summary

S. 1207 would require the Department of Justice (DOJ) to allocate at least \$1 million each year to develop and acquire information technology (IT) tools to combat the online sexual exploitation of children. The bill also would expand existing requirements for interactive computer service providers (such as Internet providers and social media companies) to report online exploitation of children to the CyberTipline.

In addition, S. 1207 would establish the National Commission on Online Child Sexual Exploitation Prevention. The commission would be required to develop best practices for providers to prevent sexual exploitation of children online. Finally, the bill would limit the immunity of providers in federal civil actions.

## Estimated Federal Cost

The estimated budgetary effects of S. 1207 are shown in Table 1. The costs of the legislation fall within budget function 750 (administration of justice).

<b>Table 1. Estimated Budgetary Effects of S. 1207</b>						
	<b>By Fiscal Year, Millions of Dollars</b>					<b>2024-2028</b>
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	
<b>Increases in Spending Subject to Appropriation</b>						
Estimated Authorization	3	2	2	2	2	11
Estimated Outlays	1	1	2	2	2	8

CBO estimates that enacting S. 1207 would increase revenues and direct spending by less than \$500,000 in every year and over the 2024-2033 period.

## Basis of Estimate

CBO assumes that the bill will be enacted by the end of calendar year 2023 and that the estimated and specified amounts will be provided each year.

### Spending Subject to Appropriation

CBO estimates that implementing S. 1207 would cost \$8 million over the 2024-2028 period. Spending would be subject to the availability of appropriated funds. Estimated outlays are based on historical spending patterns for the same or related activities.

**Information Technology Tools to Combat Child Exploitation.** S. 1207 would require DOJ to develop and acquire IT tools to improve the sharing of information with law enforcement regarding the online sexual exploitation of children. Using information from DOJ about the costs of similar activities, CBO estimates that implementing this provision would cost \$4 million over the 2024-2028 period.

**CyberTipline Updates.** S. 1207 would expand reporting requirements for interactive computer service providers to the CyberTipline, the national reporting system for online child sexual exploitation. Under current law, those entities are required to report instances of child sexual exploitation and preserve each report for 90 days after submission. S. 1207 would require providers to also report sex trafficking and prostitution of children through coercion to the CyberTipline and would lengthen the period to preserve those reports to one year after submission. The bill also would require providers to include any available information regarding the identity or location of each child in all submissions.

CBO expects that the bill's expanded reporting requirements would increase the number of annual submissions and the amount of information included in each report sent to the CyberTipline. Using information from DOJ and the National Center for Missing and Exploited Children (NCMEC), CBO estimates it would cost \$3 million for personnel and data storage costs over the 2024-2028 period to meet those requirements. In fiscal year 2023, DOJ allocated \$42 million to NCMEC, which operates the CyberTipline.

**National Commission for Online Child Sexual Exploitation Prevention.** S. 1207 would require the Department of Justice to establish a National Commission of Online Child Sexual Exploitation. The commission would be composed of subject matter experts and be required to develop recommendations for interactive computer service providers to prevent the online sexual exploitation of children. Using information from DOJ about the costs of similar activities, CBO estimates that establishing and operating the commission would cost \$1 million for logistics, travel, and per diem costs over the 2024-2028 period.

### **Direct Spending and Revenues**

Using data from DOJ, CBO estimates that enacting S. 1207 would increase revenues and direct spending by less than \$500,000 over the 2024-2033 period.

**Filing Fees.** Under current law, with some exceptions, interactive computer service providers (such as Internet providers and social media companies) cannot be held liable in federal civil court for content that is created by their users. S. 1207 would eliminate that immunity for content containing child pornography and other sexually explicit material involving a minor. CBO expects that this provision would increase the number of federal civil suits filed against providers by a small amount, which would increase filing fees collected by the federal court system (currently \$350 per civil action). Those fees are recorded in the budget as revenues and can be spent by the courts without further appropriation.

**Criminal Penalties.** S. 1207 would expand reporting requirements to the CyberTipline and lengthen the time that providers must preserve information about such submissions. Using information from DOJ, CBO expects that those requirements would increase the number of successful criminal prosecutions and thus increase criminal penalty collections. Using information about historical collections for child sexual exploitation offenses, CBO estimates

that enacting S. 1207 would increase collections by a small amount. Criminal fines are recorded in the budget as revenues, deposited into the Crime Victims Fund, and later spent without further appropriation.

### **Pay-As-You-Go Considerations:**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting the bill would increase revenues and the associated direct spending by less than \$500,000 in every year and over the 2024-2033 period.

### **Increase in Long-Term Net Direct Spending and Deficits:**

CBO estimates that enacting S. 1207 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 1207 would not increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2034.

### **Mandates:**

S. 1207 contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate costs to comply with the intergovernmental and private-sector mandates would not exceed the annual thresholds established in UMRA (\$99 million and 198 million, respectively, adjusted annually for inflation).

The bill would impose intergovernmental and private-sector mandates, as defined in UMRA on providers of interactive computer services by expanding reporting requirements of online sexual exploitation and activities related to the trafficking of minors to the CyberTipline. This would include increasing the amount of time that these services would be required to store data on reported incidents from 90 days to 365 days. Using data from NCMEC's Reports by Electronic Service Providers publication, discussions with industry experts, and publicly available information on the cost of data storage, CBO estimates that the aggregate cost of the mandates would be less than \$30 million annually.

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