



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 27, 2015

H.R. 526
Furthering Asbestos Claims Transparency (FACT) Act of 2015

As ordered reported by the House Committee on the Judiciary on May 14, 2015

H.R. 526 would require trusts set up through a Chapter 11 bankruptcy reorganization caused by asbestos liabilities to submit quarterly reports to the bankruptcy court concerning the damage claims and payments made by the trust. Based on information provided by the Administrative Office of the U.S. Courts (AOUSC), CBO estimates that implementing H.R. 526 would have no significant effect on the federal budget because the AOUSC would incur only minor costs to make that information publicly available. Enacting H.R. 526 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 526 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

H.R. 526 would impose a private-sector mandate as defined in UMRA by requiring asbestos trusts to submit quarterly reports. According to studies by the Government Accountability Office (GAO) and the RAND Corporation, only a small number of asbestos trusts currently exist. Further, the GAO study indicates that the information to be submitted under the bill is already tracked by many of the asbestos trusts. Therefore, CBO expects that the incremental cost to comply with the reporting requirements in the bill would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

The CBO staff contacts for this estimate are Marin Burnett (for federal costs) and Paige Piper/Bach (for the private-sector effects). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.