



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 17, 2017

H.R. 906 **Furthering Asbestos Claims Transparency (FACT) Act of 2017**

As ordered reported by the House Committee on the Judiciary on February 15, 2017

H.R. 906 would require trusts set up through a Chapter 11 bankruptcy reorganization caused by asbestos liabilities to submit quarterly reports to the relevant bankruptcy court concerning the damage claims and payments made by the trust. Bankruptcy courts would then be required to make the information from such reports publicly available.

Based on an analysis of information provided by the Administrative Office of the U.S. Courts about the costs associated with making the required information publicly available, CBO estimates that implementing the bill would have no significant effect on the federal budget. Enacting H.R. 906 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 906 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 906 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. 906 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 (about 60). 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 (\$156 million in 2017, adjusted annually for inflation).

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