

**H.R. 1603, Alan Reinstein Ban Asbestos Now Act of 2019**

As ordered reported by the House Committee on Energy and Commerce on November 19, 2019

| By Fiscal Year, Millions of Dollars  | 2021 | 2021-2025                           | 2021-2030            |
|--|------|-------------------------------------|----------------------|
| Direct Spending (Outlays)  | 0    | 0                                   | 0                    |
| Revenues   | 0    | 0                                   | 0                    |
| Increase or Decrease (-) in the Deficit  | 0    | 0                                   | 0                    |
| Spending Subject to Appropriation (Outlays)  | 1    | 3                                   | not estimated        |
| Statutory pay-as-you-go procedures apply?  | No   | <b>Mandate Effects</b>              |                      |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031? | No   | Contains intergovernmental mandate? | No                   |
|  |      | Contains private-sector mandate?    | Yes, Under Threshold |

H.R. 1603 would amend the Toxic Substances Control Act to prohibit the import, manufacture, processing, and distribution of asbestos or any mixtures or articles containing asbestos one year after enactment.<sup>1</sup> Limited exemptions could be granted to some currently operating chemical facilities or for reasons of national security. Entities that manufactured, processed, or distributed such products within the three years preceding enactment, during the one-year period after enactment, or under an exemption would be required to report annually to the Environmental Protection Agency (EPA) on their asbestos manufacturing and use. EPA would be required to summarize, analyze, and publish those reports. Using information from EPA, CBO estimates that requirement would cost the agency \$2 million over the 2021-2025 period for the agency to hire additional personnel to complete those requirements.

H.R. 1603 also would authorize the appropriation of \$1.5 million for EPA to enter into an agreement with the National Academy of Sciences to report on the presence and extent of exposure to asbestos. In total, CBO estimates that implementing the bill would cost \$3 million over the 2021-2025 period, assuming the availability of appropriated funds.

1. Under current law, the manufacture, importation, processing, and distribution of some asbestos-containing products is prohibited. EPA also has banned certain new uses of asbestos. See Environmental Protection Agency, “EPA Actions to Protect the Public From Exposure to Asbestos” (accessed October 30, 2020), <https://go.usa.gov/x7Wzx>.



H.R. 1603 contains private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); CBO estimates that the aggregate cost of the mandates would not exceed the annual private-sector threshold (\$168 million in 2020, adjusted annually for inflation).

The bill would impose a mandate on industries that currently import asbestos for use in manufacturing or in products containing asbestos. Converting the manufacturing processes and adopting new technology to phase out the use of asbestos would be the main cost of compliance with the bill. Asbestos is no longer produced in the United States but is imported. The chlor-alkali industry, which uses asbestos in the production of chlorine and caustic soda, accounted for all of the asbestos imports and consumption in 2019, according to the U.S. Geological Survey. According to industry experts, almost 40 percent of chlorine and caustic soda is manufactured with asbestos filters. The prohibitions on asbestos would be effective a year after enactment of H.R. 1603, but the bill would provide a longer timeline for the chlor-alkali industry: Under the bill, the industry could continue to import asbestos for 5 years after enactment and use it in manufacturing for another 5 years. Thus, the industry would have a total of 10 years to phase out its use of asbestos.

Using information from industry experts, CBO estimates that manufacturers would spend about \$1 billion over 10 years, or about \$100 million annually, to convert their processes to comply with the bill's mandates. Manufacturers would need to evaluate the performance of various replacement materials and their effects on the entire production facility before making long-term decisions about capital investments.

Other products containing unknown quantities of asbestos also are imported into the United States, including brake pads and linings, roofing materials, ceiling tiles, and cement. Although there is limited information about the quantity of such products imported or used commercially in the United States, according to EPA and industry sources, substitutes are generally available at a comparable cost.

H.R. 1603 also would impose recordkeeping and reporting requirements on industrial facilities that have and would continue to use and process asbestos during the exemption periods authorized by the bill. CBO expects that the cost of such reporting would not be significant for the chlor-alkali industry, which has 11 facilities that use asbestos.

The bill would require the auto, construction, and petroleum industries, among others that use products containing indeterminate amounts of asbestos, to verify the amounts of asbestos in their products. CBO cannot estimate the private sector's aggregate cost to comply with that mandate; however, CBO expects that it would not bring the aggregate cost of the mandates above the private-sector threshold established in UMRA.

H.R. 1603 would not impose intergovernmental mandates.

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Lilia Ledezma (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.