



June 27, 2018

Honorable Chuck Grassley
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Congressional Budget Office has reviewed the following bills that were reported by the Senate Committee on the Judiciary on June 19, 2018:

- S. 207, the Synthetic Abuse and Labeling of Toxic Substances Act of 2017; and
- S. 2535, the Opioid Quota Reform Act.

The bills would provide guidance and discretion for the Department of Justice to carry out certain functions in regulating the distribution and use of controlled substances. CBO estimates that enacting the bills would have no significant effect on the federal budget and would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting the bills would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 207 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

S. 2535 contains no intergovernmental mandates as defined in UMRA, but it would impose a private-sector mandate as defined in UMRA by reducing production quotas for certain controlled substances. The bill would direct the Attorney General to estimate the quantities of certain drugs (such as fentanyl, oxycodone, and hydrocodone) that are diverted from legitimate distribution and then to reduce manufacturing quotas accordingly. Using information from the Drug Enforcement Administration and published reports on the diversion of drugs for illicit use, CBO estimates that the cost of complying with lower quotas (that is lost revenue) would fall below the

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annual threshold for private-sector mandates established in UMRA
(\$160 million in 2018, adjusted for inflation).

If you wish further details on this estimate, we will be pleased to provide
them. The CBO staff contacts are Mark Grabowicz (for federal costs) and
Andrew Laughlin (for mandates).

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is fluid and cursive, with the first name "Keith" being more prominent than the last name "Hall".

Keith Hall

cc: Honorable Dianne Feinstein
Ranking Member