



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 7, 2013

**H.R. 982**

**Furthering Asbestos Claim Transparency (FACT) Act of 2013**

*As ordered reported by the House Committee on the Judiciary on May 21, 2013*

H.R. 982 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. 982 would have no significant impact on the federal budget because the AOUSC would incur only minor costs to make that information publicly available. Enacting H.R. 982 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 982 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. 982 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 (\$150 million in 2013, adjusted annually for inflation).

The CBO staff contacts for this estimate are Martin von Gnechten (for federal costs) and Paige Piper/Bach (for the impact on the private sector). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.