



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 2, 2012

H.R. 4369

Furthering Asbestos Claim Transparency (FACT) Act of 2012

As ordered reported by the House Committee on the Judiciary on June 8, 2012

H.R. 4369 would require trusts set up through a Chapter 11 bankruptcy reorganization caused by asbestos liabilities to submit quarterly reports to the bankruptcy court on damage claims and payments. Based on information provided by the Administrative Office of the U.S. Courts (AOUSC), CBO estimates that implementing H.R. 4369 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. 4369 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 4369 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 4369 would impose private-sector mandates as defined in UMRA by requiring asbestos trusts to submit quarterly reports. Information from the Government Accountability Office and the RAND Corporation indicates that about 60 asbestos trusts existed in 2011. Based on that information, CBO expects that the cost to comply with the reporting requirements in the bill would fall well below the annual threshold established in UMRA for private-sector mandates (\$146 million in 2012, 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.