



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 8, 1999

H.R. 1183

Fastener Quality Act Amendments Act of 1999

As ordered reported by the House Committee on Science on March 25, 1999

The Fastener Quality Act (Public Law 101-592) will impose testing, record keeping, and disclosure requirements on manufacturers, distributors, and importers of certain screws, bolts, nuts, studs, and load-bearing washers. H.R. 1183 would change the requirements for certifying documents and the accrediting laboratories that test fasteners.

Based on information from the National Institute of Standards and Technology (NIST), CBO estimates that the NIST would spend less than \$500,000 a year to implement the bill, subject to the availability of appropriated funds. H.R. 1183 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 1183 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The bill would have significant effects on the private sector. Under current law, regulations to implement the Fastener Quality Act will go into effect on June 1, 1999. As currently written, those regulations impose testing, certification, insignia, and recordkeeping requirements on manufacturers, distributors, importers, and other private-sector entities in the fastener industry. According to industry sources, the pending regulations will impose significant costs on those entities. H.R. 1183 would amend the law that underlines the new regulations, and NIST would have to modify the regulations to conform with the provisions of the bill. Based on information provided by government and industry sources, CBO estimates that the resulting new regulations would significantly reduce the requirements imposed on the private sector relative to current law.

The CBO staff contacts are Mark Hadley for federal costs, and Lesley Frymier for private sector mandates. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.