

Asbestos Claims Solution Sought

Bill Would Set Up Trust Fund, Not Rule Out Courts

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As Congress reconvenes today, the new chairman of the Senate Judiciary Committee will set out to accomplish what no one on Capitol Hill has been able to do: resolve the question of who pays how much to whom for injuries tied to exposure to asbestos.

Sen. Arlen Specter (R-Pa.) has circulated among interest groups a draft of a bill he hopes will become the basis of a solution for this long-running and highly contentious issue. The proposal features a trust fund, into which companies associated with asbestos would contribute billions of dollars to pay the claims of the injured, though no price tag has yet been attached. And in a new twist, it would allow victims to return to the courts if their claims were not paid or were not paid promptly.

The trust-fund approach has been tried without success.

Opponents such as trial lawyers and labor unions have objected that the funding figures under consideration -- \$140 billion to \$150 billion -- are too small. Defendant companies and their insurers have complained that they are too large. With neither side yielding, a trust-fund bill reported out of the Judiciary Committee under then-Chairman Orrin G. Hatch (R-Utah) in 2003 failed to reach a floor vote last spring.

Some insurers and companies argue that a bill would not bring "closure" to the issue, while some trial lawyers contend that protections are inadequate for the very sick and those who have been awarded compensation but have not yet been paid.

Meanwhile, 100,000 more asbestos-related lawsuits were filed in 2003, and about 600,000 claims are pending, according to the Rand Institute for Civil Justice and Tillinghast-Towers Perrin, a consulting firm. Asbestos, tiny silicate fibers once widely used in fireproofing homes, buildings and ships, can be easily inhaled. Once in the lungs, it causes a number of ailments, including mesothelioma, a rare but almost always deadly cancer.

A Rand study last year found that corporations have paid out \$70 billion for asbestos claims over the past 30 years. About 70 corporations have filed for bankruptcy protection in the face of the continuing flood of lawsuits.

The atmosphere Specter will be operating in is somewhat different than in recent years. The Republicans' majority in the Senate is stronger than it was, and President Bush has made changing the tort system one of the priorities of his second term. But that is no guarantee of success, longtime lobbyists on the issue say.

Interest groups already are lining up to fight for more money.

For instance, an organization called the Asbestos Disease Awareness Organization was flying in a group of people with asbestos-related ailments to circulate on Capitol Hill today, meeting with members of Congress and pressing their case.