

## Asbestos Deal Eludes US Congress; Talks To Go On

24 Nov 2003 00:49 GMT | From THE WALL STREET JOURNAL  
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WASHINGTON -- Congress will go home for the year without completing an asbestos deal, but Senate Majority Leader Bill Frist said negotiations would continue through the winter and that legislation would come to the floor by March.

Cleaning up the asbestos-litigation mess is a high priority for lawmakers, who increasingly worry about an economic toll comparable to that of the savings-and-loan meltdown of the 1980s. Even in recent weeks, as Congress has been hashing out major Medicare and energy bills, Senate leaders have held regular meetings on asbestos in a final push to reach a deal this year.

Manufacturers, asbestos producers and their insurers have paid more than \$50 billion in settlements, judgments and other costs so far, and more than 60 companies have filed for bankruptcy-court protection because of asbestos-related liability. Victims keep coming forward, though they increasingly are receiving pennies on the dollar in compensation.

"I have made it a personal priority that the Senate resolve this issue," Mr. Frist, a Tennessee Republican, said Saturday. Sen. Patrick Leahy of Vermont, a leading Democratic negotiator, also was optimistic that a deal could be struck. "A solution has never before been closer than it is today," he said in a statement.

Asbestos is a fire retardant widely used in the past century, through the 1970s, in construction and, especially, on naval ships. The substance proved perilous, causing diseases ranging from acute respiratory disorders to deadly cancers such as mesothelioma, and lawsuits accused manufacturers of concealing what they knew of the dangers.

The current proposal, crafted by Mr. Frist based on a bill that squeaked out of the Judiciary Committee this summer, would provide \$114 billion through a federal trust fund to assist victims. Insurers would contribute \$46 billion during the next 27 years, while defendant companies would pay \$57 billion. The rest of the funding would come from private trusts, already set up by individual manufacturers, and the federal trust's investment income. If the fund runs out of money, victims could return to court.

The negotiations can turn highly contentious, especially between defendant businesses. "We are going to continue to work as hard as we can to get a good bill," said Julie Rochman, spokeswoman for the American Insurance Association, an important party. But she warns, "We don't have any more money to put on the table."

The Senate bill would establish a schedule of claims values that would provide victims with set awards based on the gravity of their health problems. Unions and asbestos lawyers have complained that the amounts in some categories are too small.

Mr. Frist said he was prepared to accept "modest increases," as requested by Democrats and union negotiators, provided they target the "most severe disease categories where the relationship to asbestos exposure is most certain." One Republican concern is that the fund could be drained by claimants with lung cancer that may be unrelated to asbestos exposure.