

Asbestos negotiations go on

Groups say reports of
bill's demise premature

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WASHINGTON -- Groups pushing for legislation to end asbestos litigation say reports of the demise of negotiations is premature.

"People keep wanting to write this thing's obituary," said Gary Karr of the American Insurance Association.

However, a substantial gap remains between what insurers and defendant companies say they are willing to pay and what the Congressional Budget Office estimates what it will cost to resolve hundreds of thousands of claims outside of the court system.

The budget office said earlier this week a trust fund to resolve claims could cost \$136 billion over the next 50 years.

The insurance industry has said it is willing to contribute no more than \$28 billion, which would grow to \$45 billion over the duration of the fund.

Defendants in asbestos litigation also would contribute to the fund, which a bill drafted by Senate Judiciary Chairman Orrin Hatch, R-Utah, set at \$108 billion.

The impasse over funding issues has other stakeholders concerned.

"The labor movement doesn't need a bill, and we particularly don't need a bad bill," said Peg Seminario, director of health and safety issues for the AFL-CIO. "We're opposed to a bad bill. We need to have fair and timely compensation."

After repeated warnings for the Supreme Court and urging from business, insurance and even labor groups, congressional leaders this year set out to tackle the flood of asbestos lawsuits -- more than 200,000 in the last two years -- that have strained the judicial system.

Supporters say a trust fund would permit victims to receive awards more quickly while allowing businesses to avoid the possibility of high verdicts at trial.

Asbestos, a strong, durable and heat-resistant mineral fiber, was used in insulation and fireproofing in homes, industrial products and ships.

American companies largely ceased using asbestos in their products in the 1970s, but because of the long lengthy period, many exposed workers only now are developing respiratory ailments and cancer. Inhaled, even in small doses, the fibers can be deadly.

The proposed trust fund would establish specific medical criteria claimants must meet to qualify for awards, with the sickest victims receiving the largest payments.

Victims who have been exposed would have access to the fund if they fall ill.

The exclusion of exposed, not ill, workers has been opposed by many plaintiffs' attorneys, and the Association of Trial Lawyers of America says the medical criteria are overly strict.

The group also complains it has been excluded from talks being held by the Republican leadership, although its representatives have been included in other congressional meetings.

The trial attorneys' organization says the proposal hurts victims and undermines the court system.

"It would just create a huge bureaucracy," spokesman Nick Jacobs said of the trust fund.

However, the fund has gained backing from some attorneys who represent the sickest victims, who say their clients aren't getting the assistance they need.

About one-third of the money awarded so far has gone to victims with cancer. About 700,000 people have filed suit, and many await settlement.

Business groups say American companies already are paying a price. About \$70 billion already has been paid out, and 67 companies have filed for bankruptcy.

Last fall, a Kanawha County jury found Union Carbide, now a subsidiary of Dow Chemical, liable for allegedly having an unsafe plant and selling unsafe products.

"There's been a significant economic impact," said the West Virginia Business Roundtable's Dana Waldo, who is leading a state group advocating a legislative fix. "Companies need resolution."