

## Daschle Says U.S. Asbestos Proposal Funds Fall Short

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By Susan Cornwell

WASHINGTON (Reuters) - A Republican proposal to set up a \$114 billion fund for asbestos victims falls far short of the money that is needed and has no chance of passing the Senate, the leader of Senate Democrats said on Friday,

"It won't be passed if this is the final offer," Sen. Tom Daschle said of the proposal announced earlier this week by Senate Republican Leader Bill Frist.

Senate Republicans hoped the proposal would revive stalled legislation to end asbestos lawsuits and establish a fund to pay claims of people sickened by the mineral. Insurers and asbestos companies agreed to finance the fund this week.

But some Democratic support is necessary in getting the measure through the closely divided Senate, and Daschle's backing is key. He said he had told Frist there had to be more negotiations or there would be no hope for the measure.

His objections follow a denunciation of the Frist proposal on Thursday by the AFL-CIO labor federation, an important Democratic constituency that also says the funding proposed by Frist is inadequate. Frist's aides have asked labor officials to reconsider their opposition.

Asbestos was widely used for fireproofing and insulation until the 1970s, when scientists concluded that inhaled fibers could be linked to cancer and other diseases. Hundreds of thousands of asbestos claims have driven scores of U.S. companies into bankruptcy and cost business \$54 billion.

Daschle said an earlier bill by Utah Republican Sen. Orrin Hatch had come closer to estimates of what is needed to pay the claims of asbestos victims over the next quarter-century.

The Hatch bill's cost was estimated at \$136 billion by the Congressional Budget Office. But Daschle noted that some earlier estimates of the bill's provision suggested it could provide up to \$150 billion.

"This (Frist's proposal) falls far short of that. So if it's the final offer, then I think you've seen the final negotiation," Daschle told reporters.

The other problem, Daschle said, was the insistence by insurers that senators ditch an amendment to Hatch's bill that would allow victims to return to court if the fund runs dry.

The RAND Institute for Civil Justice says asbestos could cost business up to \$210 billion more in years ahead. But RAND says only 43 percent of the \$54 billion paid so far went to victims. The rest went to costs such as lawyers' fees.

Insurers and asbestos companies argue that an asbestos compensation fund would slash these additional costs, and therefore does not need to be as large as estimates under the current system.