

U.S. Democrats want bipartisan asbestos talks

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(Adds Frist response, labor estimate, Manville Trust letter)

By Susan Cornwell

WASHINGTON (Reuters) - Key Senate Democrats wrote to the chamber's Republican Leader Bill Frist Tuesday urging bipartisan talks on asbestos litigation reform, saying they thought legislation on the contentious issue was still possible.

In response, Frist was seeking a meeting with Senate Democratic Leader Tom Daschle "as early as tomorrow (Wednesday)," a Frist spokeswoman said.

Daschle and two other Democrats labelled as "inadequate" a recent Frist proposal for a \$114 billion fund to compensate people sickened by asbestos. The fund would be supported by asbestos companies and insurers, who agreed to the amount.

But if this amount was not a final offer, the Democrats wrote, then lawmakers shouldn't give up hunting a solution.

"Time is short," said the letter to Frist from Daschle of South Dakota, Sen. Patrick Leahy of Vermont and and Sen. Christopher Dodd of Connecticut.

"We stand willing to work with you ... We believe that, through good faith negotiations that consider the needs of the victims and of the affected industries, fair solutions can be achieved," the Democrats told Frist.

Organized labor meanwhile also wrote to Frist, saying it estimated at least \$153.8 billion would be needed to pay the claims of people with asbestos-related diseases.

AFL-CIO President John Sweeney told Frist labor officials were willing to continue discussing asbestos but were "highly skeptical" that the complex issue could be resolved this year.

Lawmakers hope to adjourn by Thanksgiving at the latest, and their agenda is already extremely crowded with funding for the Iraq war and other items.

Asbestos was widely used for fireproofing and insulation until the 1970s. Scientists have concluded that inhaled fibers can be linked to cancer and other diseases, and thousands of lawsuits by victims have driven 67 companies into bankruptcy.

Republicans have been trying to jump-start stalled legislation to end asbestos lawsuits and establish a fund, supported by asbestos companies and insurers, to pay victim's claims.

But lawmakers' efforts to construct a plausible fund were dealt another blow by an existing asbestos compensation fund, the Manville Trust. Trustee Robert Falise wrote to senators to say its assets could not be used for any national trust fund.

The Manville Trust was set up in the 1980s to pay people sickened by asbestos after asbestos maker Johns-Manville Corp. filed for bankruptcy. Both the Hatch bill and Frist's proposal call for folding the assets of existing trusts into the proposed new national trust fund.

A Frist spokeswoman said the Republican leader's proposal had counted on \$1.5 billion from existing asbestos bankruptcy trusts, including Manville. "It's just something we'll have to work through," she said of the Manville letter.