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Last update:

Asbestos bill heads for showdown

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WASHINGTON, D.C. -- Although labor negotiators say the funding is "grossly deficient," Senate Republicans are vowing to bring a proposed \$114 billion settlement of the nation's asbestos-injury claims to a floor vote by early April.

Leaders of the AFL-CIO and trial attorneys are cranking up lobbying efforts to block the measure, which would create an industry-financed trust fund to compensate nearly all asbestos victims.

The plaintiffs' attorneys, who make their livelihoods by suing asbestos companies, plan to bring as many as 50 disabled victims and family members before senators next week.

"This is not a fire drill," Linda Lipsen, a vice president of the Association of Trial Lawyers of America, said in a March 8 e-mail urging asbestos attorneys to bring victims from at least 15 key states to Washington. She said the senators need to "see the faces of the victims of the asbestos diseases before they vote on the bill."

Among those expected to come from Minnesota is Susan Vento, widow of Democratic U.S. Rep. Bruce Vento, who died in 2000 of asbestos-related mesothelioma.

Senators also have been receiving Capitol Hill visits for months from top officers of defendant companies attempting to get enough support from key Democrats to achieve a filibuster-proof 60-vote majority.

People close to the months-long negotiations say so many issues remain unresolved that it's hard to visualize the bill passing.

U.S. Sens. Mark Dayton and Norm Coleman of Minnesota have said they support the concept of an asbestos trust fund but are waiting to see the details of the plan before committing.

Julie Rochman, a spokeswoman for the American Insurance Association, said: "This bill does not move if labor is not on board."

Senate Majority Leader Bill Frist's deadline for floor consideration of the first week in April has triggered a scramble of activity on both sides that underscores bitterness among both victims and business people over the effects of the nation's asbestos disaster.

As many as 500,000 workers are projected to die and as many as 2 million more to suffer lung diseases from breathing asbestos fibers over the century ending in about 2030. The waves of illness triggered a flood of liability suits against companies that used the fire-retardant mineral in about 3,000 products, driving about 60 firms into bankruptcy.

Victims, some of whom have recovered little or no money through the courts, want to be assured that they will be compensated fairly and in timely fashion by an asbestos trust fund. Businesses want

certainty and fairness, too, some contending they have been hit with more suits because many of the worst offenders have already gone bankrupt.

The proposed trust fund would compensate present and future asbestos claimants under 10 categories ranging from \$20,000 for those with minor lung impairments to \$1 million for people with mesothelioma, a rare and deadly cancer of the lining of the lungs.

Deal breaker

The Senate Judiciary Committee last summer narrowly approved a bill calling for the creation of a \$108 billion, 27-year trust fund. But inclusion of a provision requiring businesses and insurers to boost the fund as high as \$153 billion if it runs out of money has prompted many companies to withdraw their support.

When the industry last fall set a limit of \$114 billion on the fund, AFL-CIO leaders balked.

Rochman said insurers will put up "not a penny more" than the \$46 billion they have pledged to date.

Last week, William Samuel, the AFL-CIO's legislative director, complained in a letter to Democratic senators that:

- Victims' compensation for many illnesses would be too skimpy.
- Insurers and businesses would not be required to pay enough to cover the likely number of claims.
- Businesses and insurers have refused to identify many of the thousands of companies that would contribute to the fund.
- Without a contingency commitment covering higher-than-projected numbers of claims, some victims could be shorted.

Mark Peterson, a Thousand Oaks, Calif., lawyer who has done actuarial studies for parties on all sides of asbestos litigation and for five federal judges, called the bill "a terrible piece of legislation."

He said creation of a trust fund would probably mean 10 percent more people would file claims than under the current system. Counting the more than 600,000 suits filed to date, he predicted that 1.5 million to 1.7 million victims ultimately would seek compensation, making coverage of all claims with \$114 billion in the current bill "a pipe dream."

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