

## Asbestos bill gathers steam

**Bill sponsored by Sen. Orrin Hatch capping damages gains support from one Democratic colleague.**

May 20, 2003: 10:52 AM EDT

**WASHINGTON (Reuters) - The Republican senator crafting legislation to curb asbestos lawsuits said he will introduce a bill this week, and he appeared to have picked up a pledge of co-sponsorship from at least one Democrat.**

Sen. Orrin Hatch (R-Utah), said Monday he was publishing the draft of his proposal to establish a \$108 billion national trust fund to compensate asbestos victims, cap company liability and relieve the courts of asbestos suits.

Hatch said he planned to introduce it as a bill Thursday. One Democrat, Sen. Ben Nelson of Nebraska, told reporters that "I plan to be" a co-sponsor of the measure.

"I hope those who are interested in it will go over it with a fine-tooth comb," Hatch said of his draft, speaking on the Senate floor after meeting Nelson and other Democrats and Republicans interested in a bill to solve the asbestos crisis.

"If there are really substantive suggestions that they have, we will be happy to look at those," Hatch, the chairman of the Senate Judiciary Committee, said. "But this is basically what I intend to file as a formal bill this next Thursday. "I would like to have as many co-sponsors as I can get."

Nelson, speaking to reporters before the meeting with Hatch, said it was important to get asbestos legislation introduced, adding that the bill could always be amended. "It's not a done deal; this is a work in progress," he said.

"We can't let the desire for the perfect get in the way of the good," Nelson said.

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.

Defendant companies, insurers and unions have been negotiating with Hatch, Sen. Patrick Leahy (D-Vt.), and other lawmakers to try to craft a solution to the asbestos lawsuits that have driven dozens of companies into bankruptcy.

Hatch's draft bill would set up a \$108 billion fund to pay claimants over the next 25 years, aides to the senator said. But the draft bill did not include a federal backstop to insure the solvency of the fund, which some lawmakers have sought.

The top payment would be \$750,000 for a person with the most lethal form of asbestos-caused cancer, mesothelioma.

Most of the money for the new fund would come from insurance companies, who would contribute \$45 billion, and defendant companies with over one million dollars in asbestos liabilities, who would chip in \$45 billion as well.

Another estimated \$10 billion would come from companies with less than one million dollars in asbestos liabilities. Five to six billion would come from existing asbestos trusts, like the Manville Trust, an aide to Hatch said.

And three to four billion would come from accrued interest on the investment of the money in the fund, the aide said.

Companies that have asbestos settlement deals that are not finalized by the time legislation is passed would likely have those deals incorporated into the trust, Hatch's aide said.

This could affect companies such as the oil field services company Halliburton Co (HAL: Research, Estimates)., which announced a \$4 billion cash and stock settlement last December.