

## Cleaning up asbestos suits

In the United States alone, more than 600,000 asbestos claims have been filed against more than 6,000 companies in just about every industry in the country. Asbestos-related litigation has destroyed more than 60 corporations, including Federal Mogul, a Michigan auto-parts giant which peaked at 56,000 employees and \$6.6 billion in sales. Nationwide, more than \$50 billion already has been spent on litigation, and some lawyers claim that this sum only covers 20 percent of the cases that eventually will be filed. Thousands of lawsuits center on an asbestos product a corporation manufactured, such as car brakes or hardware for battleships, but countless others are aimed at employers that merely had asbestos in their buildings. Something has to be done to bring into sight an end to the crippling litigation.

Democratic presidential wannabees are pounding the Bush administration about its economic performance, particularly blaming the White House for rising unemployment. Undoubtedly, most of these liberal critics would make the economy worse through tax hikes and new spending, which would result in more job losses. A better tactic would focus on lessening burdens on private corporations so they can retain their workforces. Although almost completely unknown outside the corridors of the Capitol, current legislation to control asbestos-related lawsuits is one of the best ways Congress can protect jobs.

Before the August recess, the Senate Judiciary Committee passed a bill that would create a mechanism to settle the cases once and for all. Called the Fairness in Asbestos Resolution Act (FAIR), the legislation would manage a trust fund to pay off alleged victims of asbestos-derived illnesses. The two sources of money for the trust fund would be the insurance industry and large corporations, the latter of which would pay into the plan and agree to give up their asbestos insurance in return for an end to litigation. The deal is good for insurance companies because they would be relieved of a future of never-ending claims from the companies they insure. Until recently, the business community had balked on a trust fund solution because it was waiting for a Republican Congress and White House to lay the golden egg of tort reform. Seeing that Senate Democrats will filibuster this reform so long as they have the votes to do so, businesses now have signed onto the trust-fund option.

The two hitches to this important job-saving legislation are getting the insurance industry united behind the deal and getting enough support from Senate Democrats to prevent a filibuster. Republican Senate leadership sources tell us that insurance companies are ready to come to the negotiating table, and that some surprising Democrats are behind FAIR. California Sen. Dianne Feinstein voted for it in the Judiciary Committee, and the bankruptcy of Federal Mogul seems to have awakened Michigan liberals Carl Levin and Debbie Stabenow to the danger that many more auto-related companies and jobs could disappear, as they are supporting FAIR.

The spoiler could be the trial lawyers, who would be cut out of the compensation process once the trust fund is in operation. They are certain to use all their significant lobbying clout with Democrats to try to kill a law that would take care of hundreds of thousands of victims and protect countless jobs. That might make an interesting addition to next year's election debates on the state of the economy.