

## **Enactment of Asbestos Legislation Could Create More Than 800,000 Jobs and Increase Economic Growth by \$64 Billion**

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Reform Would Provide Shot in the Arm to U.S. Economy

WASHINGTON, Oct. 16 /PRNewswire/ -- A new study reveals a hidden cost of the asbestos litigation crisis and details how passage of asbestos legislation could provide a tremendous boost to the economy and create jobs.

According to the study, which was commissioned by Financial Institutions for Asbestos Reform (FIAR) and conducted by Navigant Consulting, affected businesses pay an "asbestos litigation penalty" when raising capital, significantly increasing the costs of borrowing and in some instances, making it impossible for companies to raise capital to fund productive investments. The study adds to the overwhelming evidence that the asbestos litigation crisis is a significant destructive force on the economy.

"We found that the 'asbestos litigation penalty' dramatically reduces capital investment, lowering productive capacity and stunting economic growth," said Dr. William Kerr, author of the study and an economist for more than 25 years.

"Considering the multiplying effect of private investment, failure to enact asbestos legislation could reduce economic growth by \$2.4 billion per year, costing more than 30,000 jobs annually," he said. "Extended over the 27-year time frame contemplated by the asbestos legislation pending in Congress, this would mean the loss of more than 800,000 jobs and \$64 billion in economic growth."

Asbestos litigation has already bankrupted nearly 70 companies, costing thousands of workers their jobs, shrinking retirement funds and decreasing shareholder value. According to RAND, more than 8000 firms are now asbestos defendants.

"There is no question that asbestos litigation reform will boost business investment and expansion, create jobs and lift the cloud of uncertainty that is hanging over so many companies due to possible asbestos liability," said FIAR member David Barse, CEO of Third Avenue Management LLC, which manages mutual funds and private investment accounts. "A legislative solution such as the one under discussion will provide the shot in the arm our economy needs while ensuring that asbestos victims receive adequate compensation."

The study is titled "Reducing the Asbestos Litigation Penalty: An Economic Benefit of Asbestos Reform Legislation."

Financial Institutions for Asbestos Reform is a group of investment firms concerned with the economic impact of asbestos litigation and supportive of a legislative solution.