



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

1920 L STREET, N.W. - SUITE 200 - WASHINGTON, D.C. 20036 - 202-785-0266 - [HTTP://WWW.ATR.ORG](http://www.ATR.ORG)

MATT CLARK, FEDERAL AFFAIRS MANAGER MCLARK@ATR.ORG

ATR Supports Senate's Efforts to Reform Out-of-Control Asbestos Litigation System

WASHINGTON — This week the Senate will have a cloture vote on a motion to proceed with S. 1125, the Fairness in Asbestos Injury Resolution Act of 2003, or the FAIR Act. The legislation is a culmination of efforts led by Senator Hatch, along with several other parties, including medical victims of asbestos, manufacturers and insurers, to bring fairness and certainty to the current, out-of-control asbestos litigation system. **Americans for Tax Reform (ATR) strongly supports the Senate's efforts to pass this long overdue and necessary asbestos reform and urges Senators to allow debate on and then pass the legislation.**

Most of the original asbestos litigation cases involved individuals who had developed serious and often fatal diseases because the companies they worked for concealed evidence connecting asbestos exposure to major health problems. However, starting in 1982, state supreme courts (New Jersey in 1982 and Louisiana in 1986) ruled that companies were liable for asbestos related injuries, regardless of whether or not the company understood the dangers of asbestos'.

As a result of these new court decisions, the number of asbestos lawsuits skyrocketed against companies using asbestos to produce a final good, such as insulation, and companies that merely exposed workers to products containing asbestos, such as automobile brakes and clutches. These new developments greatly expanded the definition of "victim," and subsequently, the rate at which these lawsuits have been filed has nearly doubled every year since 1999. **In fact, almost 94 percent of these cases involved individuals who have not developed any type of cancer or asbestos-related disability.**

These claims have placed a severe, deadweight loss on the nation's economy and standard of living. For example, since 1982, due to our nation's broken asbestos litigation system, nearly 70 U.S. businesses have been forced into bankruptcy by asbestos related lawsuits. At the present rate, U.S. companies will be forced to pay more than \$200 billion in asbestos settlements.

The FAIR Act brings fairness and certainty to the current, out-of-control asbestos litigation system, by enacting the following three proposals: establishing a special court of asbestos claims in the executive branch of the federal government, create much-needed national, objective medical criteria for asbestos claims, and create a **privately financed** Asbestos Injury Claims Resolution Fund to provide for claims payments that might be necessary decades from now.

ATR WILL RATE THIS VOTE IN OUR ANNUAL CONGRESSIONAL RATINGS