

American Federation of Labor and Congress of Industrial Organizations



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Statement by AFL-CIO President John J. Sweeney on Asbestos Defendants' and Insurers' Funding "Agreement" October 17, 2003

We are deeply concerned about the "agreement" on funding for asbestos compensation legislation that was reached between asbestos defendant companies and their insurers, without any involvement whatsoever from the labor movement or any other victims' representatives. It is a major step backwards in efforts to reach a satisfactory and equitable solution, and one that will clearly make it impossible to achieve a consensus resolution of any kind this year.

First, the \$114 billion funding agreement is grossly inadequate to provide fair compensation for victims, representing roughly \$40 billion **less** than the funding provided for by the Senate Judiciary Committee in S.1125 (an amount which, in itself, is far too low). Moreover, it has been presented on a take-it-or-leave-it basis, with no flexibility in additional funding. The terms of this agreement come nowhere close to covering the costs of expected disease claims, which the Congressional Budget Office has recently estimated to be \$136 billion to cover even the unfairly low compensation values in S. 1125 as reported, let alone cover the costs if the number of claims is greater than estimated.

Second, while modest increases in compensation levels for victims have been suggested in a few of the fund's medical categories, the proposed values remain much too low, indeed significantly less than the compensations values proposed by Senators Leahy and Kennedy.

Third, the proposal fails to state with any certainty that claims will be paid, and does not protect against the possibility that if funds run out sooner than anticipated, victims will be left without recourse both to the Fund as well as to the tort system they will have left behind.

Finally, the proposal does not address a large number of other extremely important and complex issues, both funding and non-funding, which have been put on hold for several weeks while business and the insurance carriers negotiated over their own allocation responsibilities. At this point, there is simply no possibility that those other critical issues could be resolved satisfactorily within the three weeks or so remaining in this congressional session.

The AFL-CIO remains committed to adopting asbestos compensation legislation that would improve the system of compensation for victims of asbestos disease. We have worked to play a constructive and responsible role in this process, and would be willing to try again if the opportunity presents itself at some future time.

For now, however, the AFL-CIO will strongly oppose this and any other legislation that is more designed to provide a corporate bail-out than a fair resolution of all the parties' legitimate concerns.

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