

**Statement of Senator Patrick Leahy
Ranking Member, Judiciary Committee
Hearing on “The Need for Transparency in the Asbestos Trusts”
February 3, 2016**

Today the Judiciary Committee meets to discuss legislation that purports to promote more transparency in asbestos trusts. Before we get into a detailed discussion about the merits of the proposed legislation, I want to make sure we all remember why we are here today. For decades, millions of American workers were secretly poisoned. Men and women who worked in our Nation’s factories, shipyards, mines and construction sites, and service members in the military, unknowingly inhaled air that was laced with asbestos—a substance so harmful that an individual can become critically ill simply by breathing.

Joining us at today’s hearing are men and women who suffer every day due to mesothelioma and other asbestos-related cancers and illnesses. We are also joined by family members of those who have lost loved ones from these deadly diseases. I want to say a special welcome to Susan Vento who is testifying here today on behalf of asbestos victims. She lost her husband, Congressman Bruce Vento, to mesothelioma over 15 years ago and has served as a tireless advocate on these issues for many years. I thank all of them for coming today and reminding us what is at stake.

Over the last few decades we have learned a great deal more about the harms wreaked by asbestos exposure and the illnesses it can cause. Equally disturbing is the fact that many companies continued to use asbestos in their products for decades despite knowing about its negative health effects. Meaningful steps were taken when, in 1994, Congress enacted laws allowing asbestos companies to set up trusts to compensate victims of serious illnesses caused by the products they manufactured. Before we make any changes to this system we must first and foremost consider the affect these changes will have on the people it was intended to help.

For this reason, I have serious concerns with S. 357, the Furthering Asbestos Claim Transparency Act of 2015 (FACT Act). I am concerned that it will needlessly violate the privacy of asbestos victims while requiring no transparency on the part of companies that have produced or exposed others to this deadly product. The bill would require asbestos trusts to file public reports detailing sensitive, personal information of victims who receive compensation from the trusts. It would also require the trusts to disclose additional information about claimants upon demand. While supporters of the FACT Act claim these measures are needed to combat fraud, a 2011 GAO study found that of the nearly \$20 billion distributed to victims by trusts, there was no evidence of fraud. In reality, most asbestos victims were exposed in multiple ways by multiple companies. These victims should continue to be allowed to recover from every corporation who substantially contributed to their illnesses.

I am also deeply concerned about the privacy ramifications these reporting requirements would have on asbestos victims. The FACT Act would require trusts to publicly disclose in quarterly reports a claimant’s name, address, date of birth, the last four digits of their social security number, and detailed information about their medical history. Releasing this sensitive information poses enormous privacy risks for victims and their families, leaving them more vulnerable to identity theft and potentially other scams. This reporting requirement will also be a

significant draw on asbestos trusts' already strained resources, leading to further delayed payouts for victims who may be extremely sick or terminally ill and in immediate need of compensation.

Supporters claim the FACT Act is about transparency, but the FACT Act fails to bring any additional transparency to the asbestos companies themselves. Nothing in this bill would require companies to disclose settlements they have reached with other plaintiffs, or require them to disclose which of their products contain asbestos and when and where these products were used. Such measures would significantly increase transparency, and help victims know which companies or trusts might be liable for their injuries. As written, this legislation will only make it more difficult for those suffering from asbestos-related illness from receiving the compensation for which they are entitled. For this reason we have received numerous letters in opposition to this bill, including from veterans organizations, firefighters, teachers, unions, and families of asbestos victims.

I look forward to the testimony of the witnesses joining us today and hope today's hearing will serve as an important reminder about the importance of the asbestos trust system and the need to protect asbestos victims in the tort system.

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