

Statement of

The Honorable John Cornyn

United States Senator
Texas
January 11, 2005

OPENING STATEMENT

Mr. Chairman, I want to thank you for all your hard work on this issue. Your dedication to solving what many refer to as "the asbestos liability crisis" is admirable and I appreciate greatly all your efforts. The truth is that we do face a crisis. Companies are going bankrupt, American workers are losing jobs, a handful of personal injury lawyers are running away with billions of dollars - all while the truly sick are not getting compensated fairly and efficiently - often times getting pennies on the dollar for their injury.

This simply is unacceptable.

This past Friday, the President held a town meeting in Michigan that focused on the Asbestos crisis in which he called for Congressional action - and I applaud him for it. He noted plainly that the current system is broken and unfair. And this is one of those rare times in Washington where we can all agree. Just yesterday morning, the Washington Post editorialized that "[President Bush] is right that the staggering costs and irrationality of America's civil justice system are unacceptable."

Senator Specter, again I appreciate your resolve and am happy to see you join the President in leading on the issue of Civil Justice Reform. Your commitment to a short timeline undoubtedly will help us as we move forward - on this issue, as well as the desperately needed Class Action, Bankruptcy and Medical Liability reforms.

In addition, I would like to take a moment to thank Judge Becker. He has devoted a great deal of personal time, resources and energy to helping us work through these complicated matters and has received nothing in return for doing so. Judge, I would like to thank you personally for all your efforts and look forward to hearing your testimony.

A great deal of effort has gone into various legislative proposals over the past several years to address some or all of these concerns. Senator Nickles was an early advocate for a Medical Criteria bill - an approach undertaken by a number of states across the country, such as Ohio most recently, and that is designed to stop the floodgates of claims from the unimpaired at the expense of those who are truly sick. It long has been an approach worthy of strong consideration and I hope that we will still continue to work towards strong medical criteria - no matter what approach we ultimately choose.

But after more than 70 bankruptcies and well more than \$70 Billion in claims paid out, one of the key concerns is achieving a reasonable degree of finality. To address this issue and others, Senator Hatch worked very hard in the 108th Congress to pass the more comprehensive trust fund approach through this committee. I voted for that legislation - S1125 - in committee despite a number of reservations because I believed then, as I do now, that Congress ought to take action and that we would work on a number of my concerns on the Senate floor. I joined several colleagues in expressing those concerns through additional views filed at the time we passed it out of committee in July of 2003.

I know that Majority Leader Frist worked last year with Senator Daschle to carry the mantle forward with S2290 as negotiations continued in an effort to reach a broad consensus among stakeholders. It is my understanding that S2290 made great progress, but that unfortunately, consensus was not reached.

As we begin the 109th Congress - I am hopeful that we will address the concerns that I know exist among the stakeholders. But perhaps more importantly, I wish to work with the Chairman and our committee colleagues to address the concerns held by Senators - some of which many of us have expressed since we began discussing a trust fund approach almost two years ago.

It is not typical for us to hold many hearings when we recess, but this issue clearly deserves immediate attention. I join you and Ranking Member Leahy in committing to work hard to solve this problem and I am happy to be here today to listen to those who have been living with the current broken system and who know first hand the problems we face.