

February 14, 2017

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Conyers
Ranking Member
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Goodlatte and Ranking Member Conyers:

The U.S. Chamber Institute for Legal Reform (“ILR”) strongly supports H.R. 906, the “Furthering Asbestos Claim Transparency Act of 2017.” This legislation would shine much needed light on asbestos personal injury settlement trust funds and ensure that their finite resources are reserved for true victims, not drained by fraudulent claims. ILR, an affiliate of the Chamber, is dedicated to making our nation’s civil justice system simpler, faster, and fairer for all participants. The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

Section 524(g) of the federal bankruptcy code authorizes bankrupt companies to establish trusts to receive and pay asbestos related claims. When Congress enacted 524(g), it intended to guarantee all present and future claimants equal access to compensation for their asbestos-related injuries. However, it appears that Congress’s intent is being frustrated by the filing of inconsistent and fraudulent claims that are drawing down the trusts’ funds and endangering future victims’ recoveries.

Questionable trust claims have been uncovered throughout the country in the course of tort litigation, and reviews conducted by independent experts at both the Government Accountability Office and RAND Corporation concluded that asbestos trusts are susceptible to abuse and may pay improper claims. The simple transparency requirements in H.R. 906 would help protect asbestos trusts from fraud. They would also ensure that still-solvent tort defendants, many of whom were only peripherally involved in the manufacture or distribution of asbestos or asbestos-containing products, are not driven into bankruptcy by claims that should be resolved, in whole or in part, by asbestos trusts.

The U.S. Chamber Institute for Legal Reform strongly supports H.R. 906 and opposes any weakening amendments that may be offered when the House Judiciary Committee considers the legislation. We look forward to working with you and your colleagues as the legislation advances through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Lisa A. Rickard". The signature is written in a cursive, flowing style.

Lisa A. Rickard

cc: Members of the Committee on the Judiciary