

Asbestos Suits Forces Stocks to Fall

NEW YORK (AP)--Stocks of companies facing asbestos-related lawsuits fell Thursday amid growing tension over a draft law that would create a trust for victim payouts.

Shares of building-materials makers such as USG Corp. and W.R. Grace & Co. retreated on a day in which many people expected the legislation to be introduced on the Senate floor.

In midday trading on the New York Stock Exchange, shares of USG skidded \$2.01, or nearly 17 percent, to \$9.90; Georgia-Pacific Corp. fell 55 cents, or 3.1 percent, to \$17.35; Crown Holdings Inc. dropped 21 cents, or 3.1 percent, to \$6.52; and W.R. Grace slipped 17 cents, or 5.2 percent, to \$3.10.

The bill--sponsored by Sen. Orrin Hatch, R-Utah, who chairs the Senate Judiciary Committee--reportedly proposes creating a \$108 billion pool to resolve asbestos litigation over the next 25 years.

But Thursday's editions of The Wall Street Journal and The New York Times reported that compromise discussions between industry leaders and labor negotiators broke down. One of the main issues of contention, according to the AFL-CIO: the bill lacks a backstop in the event that claims exceed the fund's resources.

AFL-CIO support will be important for the bill to gain votes from Democratic senators and avoid a filibuster.

Last month, the groups involved in negotiations for a bill said they were close to an agreement, although the structure of the trust and the payments to victims still needed to be detailed.

As people close to the negotiations expressed disappointment about the trust draft bill, research analysts also appeared skeptic.

Stephen Atkinson, an analyst at BMO Nesbitt, said there is ``a lot of difficulty" in creating a trust due to the issues over the backstop and caps on payments to victims.

He said he wasn't sure if the bill will ever make it to Congress for a vote.

Source: The Atlanta Journal-Constitution