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Joan Claybrook, President

February 14, 2006

The Honorable William Frist
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Harry Reid
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Sustain the S. 852 Budget Point of Order

Dear Senators Frist and Reid:

On Feb. 9, during the debate on S. 852, Senator John Ensign raised a point of order on grounds that the bill violates Sec. 407 of H. Con. Res. 95, the concurrent resolution on the budget for 2006. Sec. 407 states that “a bill shall not be in order if it would cause a net increase in direct spending in excess of \$5 billion dollars in any of the four 10 year periods beginning 2016-2055.” According to the Congressional Budget Office (CBO) cost estimate dated August 2005, “enacting S.852 would cause an increase in direct spending greater than \$5 billion dollars in at least one 10-year period from 2016-2055.” (CBO S. 852 Cost Estimate, p. 2.) Thus, CBO concludes—and reiterates in its Feb. 13 analysis—that S. 852 does, indeed, violate fiscal 2006 budget rules.

We urge you to sustain Sen. Ensign’s budget point of order.

Numerous financial analyses and comparisons with previous attempts at erecting federal trust funds have warned that asbestos claims projections are grossly underestimated. According to CBO, there is a “significant likelihood” that the trust fund would have insufficient funds to pay valid claims plus cover administrative and borrowing costs. As a result; the fund would add over \$6.5 billion to the federal budget deficit and would require an injection of \$8 billion in taxpayer dollars to cover the shortfall in the first decade alone. Total cost predictions for S. 852 range from the CBO’s \$130 billion, to over \$300 billion according to Bates White LLC.

Sen. Ensign’s point of order is not merely “technical” as the bill’s proponents claim. Conscientious governance demands that the financial viability of this enormous venture, which will have such grave consequences for asbestos victims and risks imposing excessive stress on tight federal budget resources be given greater scrutiny before coming for a vote on the floor. Sustaining the point of order will give committee members renewed opportunity to consider the financial impact of this bill so that both asbestos disease sufferers and taxpayers are protected.

Sincerely,

Joan Claybrook
President