



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

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Oxley Urges Senate to Protect Taxpayers from Unlimited Financial Risk

House Financial Services Committee Chairman Michael G. Oxley (OH) has called on the Senate to support terrorism insurance legislation that ensures taxpayers will not be on the hook for incalculable amounts of liability damages.

The Terrorism Risk Protection Act, approved by the House Nov. 29, was introduced last month by Oxley and Capital Markets Subcommittee Chairman Richard H. Baker (LA) and cosponsored by 34 other Members of Congress. H.R. 3210 addresses the pending insurance crisis while protecting taxpayers, policyholders and insurers.

Liability reforms were included to streamline the compensation process for victims, maximize recoveries for the most serious injuries, protect blameless American taxpayers from unlimited liability and limit the damage to the U.S. economy.

An editorial in today's *Washington Post* concurs that such limits on punitive damages are reasonable and joins Oxley in urging the Senate to act on terrorism insurance legislation before adjourning for the year.

**Washington Post – Editorial
Prisoners of the Senate
Monday, December 17, 2001; Page A22**

THE SENATE HAS been tied up in recent days debating a terrible farm bill that would waste billions on rich farmers who don't need it. Even if the bill were actually helpful, there would be no need to pass it now; the existing farm law does not expire yet. Meanwhile the Senate has been dragging its feet on more important subjects.

One matter that has been bottled up is the terrorism insurance bill, which is far more urgent than the farm subsidies; without the bill, it may be impossible to insure large buildings when existing coverage expires on Dec. 31, leaving businesses exposed to risks that they have no way of managing. A second prisoner is trade promotion authority for the president. Last Wednesday Sen. Max Baucus (D-Mont.) delivered on a promise to report a bill out of the Finance Committee. But other Democrats have invoked a parliamentary trick to hold more committee hearings.

Both Republicans and Democrats must share some blame for the Senate's skewed priorities, but the Democrats are in control. On insurance, the Democrats are objecting to Republican proposals to ban punitive damages in the event of terrorist attacks, which seems a reasonable proposal. On trade, they are throwing up procedural delays; Tom Daschle, the Senate majority leader, says there is no prospect of bringing trade promotion authority to the floor before next year -- even though he found time to bring the egregious farm bill up for discussion.

Mr. Daschle has been hailed as the Democratic Party's brightest star, and his ability to block administration proposals is cited as proof of his abilities. We would prefer to see the majority leader demonstrate his mastery by minimizing gridlock and by not bowing to the lobbies that sometimes hijack Democratic policies. The Democratic position on terrorism insurance smacks of the trial bar, which never saw a disaster that didn't justify a lawsuit. The foot-dragging on trade hints at the influence of the labor unions. The real test of Mr. Daschle's leadership is whether he can rise above these lobbies.

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