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UNITED STATES GOVERNMENT

Memorandum

U.S. CONSUMER PRODUCT
SAFETY COMMISSION

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TO : Virginia White, EX-P

DATE: Feb. 26, 1980

THRU : Joann H. Langston, AED/HIA

FROM : Dale Ray, HICP *[Signature]*

SUBJECT: General Electric Company Submission on Asbestos General Order

The General Electric Company (GE), in a letter recently submitted to the Chairman, objected to the issuance of the General Order on asbestos prior to Commission consideration of the comments received on the Advanced Notice of Proposed Rulemaking (the comment period of the ANPRM ended on February 18, 1980). GE also claimed that the economic burden of compliance with the Order would be considerably greater, in terms of the likely number of hours spent in preparing responses, than was estimated by CPSC.

We are continuing to review comments on the ANPR as they are received. Changes to the draft Order will be made to reflect the comments where appropriate. For the most part, the comments we have received thus far have not led us to believe that significant changes are needed in the format or substance of the Order.

We agree in part with GE's position on the compliance burden. The two to three staff weeks estimated to be required for "larger firms" to gather data on products subject to the Order probably understates the time required for a giant corporation like GE to respond to all the questions. GE is undoubtedly the world's largest producer of consumer products subject to the Order, with hundreds of individual models of products on which to report. The estimates in the draft Order were based on information from firms and other government agencies with reporting-requirement experience. While the estimates are generally applicable to large companies with relatively large numbers of products to report on, a considerable range in the number of hours spent per firm can be expected, depending on the size and complexity of the companies within the "large firm" category. Thus, it would not be surprising to find that GE might take several weeks, or perhaps months, of staff time to trace ten years' worth of asbestos-containing products.

In addition, GE has literally hundreds of vendors, or suppliers, many of which may have to be consulted and may have to do some checking on their own regarding the possible asbestos content of component parts. It appears that GE's time estimate (that it would take "man-years") includes the time spent by other companies. We agree that this could easily multiply the total number of hours spent several-fold. The per-firm estimate in the draft Order does not clearly explain this additional time component, and should be changed accordingly.

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It is possible that almost every GE appliance produced in the past 20 years contains asbestos in some form (wiring or motor insulation, plastic parts, switch plates, etc.). We do not agree, however, with the claim that "years" of effort will be required to seek out the information necessary to answer the questions of the Order. Weeks, or even months, may be required if the search for past asbestos uses is very difficult; we expect to receive some "don't know" responses on some questions for particularly obscure or hard-to-trace products.

We are aware of the way in which manufacturers such as GE specify and assemble components and products, and we understand that records searches on these items may be needed to respond to questions about where and how asbestos may have been used in products. It is precisely this that makes impractical GE's suggestion to limit reporting to products where asbestos was actually specified.

GE's concluding suggestion is that CPSC limit the Order so that it covers only current or recent production, to avoid the lengthy search for old products and asbestos uses. The staff has, in recent discussions, considered the idea of reducing the production period reporting requirement for all questions in the Order to three years. This would provide data on current and recent production that may still be in the chain of distribution (and may, therefore, be available for sale to consumers). We believe that this change would significantly reduce the reporting burden, and would also ease the uncertainty in industry about whether the Commission might take regulatory action of some sort against old products currently in use by consumers. Though the voluntary agreements reached with the hair dryer manufacturers covered products manufactured more than three years prior to the dates of those agreements, no such plan for other products is under current discussion by the staff.