



ASBESTOS INFORMATION ASSOCIATION

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PLAINTIFF'S
EXHIBIT

79904.00

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EXHIBIT

WV-022520

BOARD OF DIRECTORS MEETING

March 26, 1976

Sheraton Airport Inn

Philadelphia, Pennsylvania

Pursuant to notice, a meeting of the Board of Directors was held March 26, 1976 in Sheraton Airport Inn, Philadelphia, Pennsylvania.

The following Directors were present:

E. H. Feierabend
J. L. Rainey
William Clark
John Riopelle
John H. Chidester
T. K. Lindquist
W. H. Beasley
Thomas A. Dougherty
Martin Sendeki
John Hollingsworth
A. R. Hooker
William Fassuliotis
J. J. O'Dowd
(for Joseph Ciskowski)
Noel W. Hendry
William H. Vockroth
(for Joseph T. Mooney)
James J. McHugh
(for George Vogel)
A. H. Fay
C. Fred Workman
C. G. Morgan
John Marsh
Clarence A. Herbst, Sr.
J. E. Keith
R. C. Wareham
Kurt Schwarz
William C. Thurber
Dennis E. Eldred

Abex Corporation
Amatex Corporation
Asten-Hill Limited
Bendix Corporation
Brunswick Corporation
Borg & Beck Division, Borg Warner Corp.
Cement Asbestos Products Corp.
Certain-teed Products Corp.
Congoleum Industries, Inc.
Dresser Industries (Magcobar Div.)
The Flintkote Company
GAF Corporation
Jim Walter Research Corp.

Johns-Manville Corp.
Monsey Products Company

National Assoc. of Filter Mfgs.

National Gypsum Company
Nicolet Inc.
North American Asbestos Corp.
Raybestos-Manhattan, Inc.
Resinoid Engineering Corp.
Rostone Corporation
Special Asbestos Company
Supradur Manufacturing Corp.
Union Carbide Corp.
Vermont Asbestos Corp.

Also present: Guy G. Gabrielson, Jr., Nicolet Inc., Chairman Asbestos Regulation Task Force; Adrian C. May, Esq, Cadwalader, Wickersham and Taft; Jerry Hebb and James Bowe, Roy F. Weston, Inc.; C. G. Mallory, Abex Corporation; R. H. Mereness, Executive Director, AIA/NA and Virginia Detgen, AIA/NA Staff.

CRMC-001812

The meeting was called to order at 9:00 AM. Mr. Dougherty acknowledged representatives of new members: Borg Warner Corp.; Brunswick Fabricators, Inc.; Magcobar Div., Dresser Industries; Resinoid Corp.; Rostone Engineering Corp.; Vermont Asbestos Group. Mr. Dougherty also recognized Mr. J. J. O'Dowd for Mr. Ciskowski, Jim Walte Research Corp., William Vochroth for Mr. Mooney, Monsey Products, James McHugh for George Vogel, National Association of Filter Manufacturers, and Charles Mallory accompanying Mr. Feierabend of Abex Corporation.

Mr. Dougherty announced that because of the importance and urgency of certain items the full agenda, as distributed, would of necessity have to be modified to conduct essential business within meeting time.

Minutes

On motion, the minutes of the preceding meeting, December 11, 1975 were approved as submitted.

Task Force, OSHA Standard

Mr. Dougherty spoke of the OSHA task force activities and congratulated Mr. Gabrielson on this outstanding work as chairman. Mr. Dougherty noted that he, Mr. Gabrielson and Mr. Mereness would meet with Asst. Secretary of Labor (OSHA) Corn to discuss the industry presentation on April 6.

Mr. Gabrielson reviewed the work of the task force and the documents that will be formally presented to OSHA by the deadline for comment on the proposed revision to the asbestos standard April 9, 1976. He voiced his appreciation for the wholehearted cooperation of all members and non-members associated with the effort in accomplishing the ambitious and complex task. He said it was his feeling that though improvements to such a presentations could be made, he was satisfied with the work done and the documents developed factually and comprehensively represented industry position. He stated the costs for the effort would approximate the authorized sum of \$100,000. He said that the overall presentation followed the format approved at the Industry meeting on February 4 and is different only in extension of comment.

Mr. Hebb discussed the technological feasibility and economic impact study prepared by Roy F. Weston, Inc., offering explanation for that information on the secondary and consumer sectors of the industry developed after the February 4 meeting. He thanked the membership for its support and voiced particular appreciation for the assistance of Dr. Rhodes, chairman of the Association's Standards and Technical Committee. It was emphasized that the report does not include the construction industry. Mr. Chidester stated that it would appear that the percentage increases by achieving "BAT"

were too low. In discussion it was noted that the figures were based on actual information supplied, related only to "BAT" and might require operating costs for personal protection and industrial hygiene over and above that for establishing BAT. Mr. Hebb said that as soon as the study was printed, in following week, all questionnaires would be returned to participants thus fulfilling obligation for confidentiality. Mr. Gabrielson then commented in detail on comments and recommendations of the task force which are to be forwarded to OSHA. He stressed that the recommendation would urge that OSHA not proceed with a general industry standard until the problems of the construction industry are studied. The documents which are to be forwarded to OSHA (other than Dr. Weill's statement previously delivered) were distributed to directors. Weston would provide for immediate distribution of all documents to all other participants.

Mr. Dougherty asked for a vote on endorsement of the presentation by the membership noting that members might wish to abstain until further discussions with their companies but endorsements should be advised to the Executive Director not later than April 5 and confirmed by telegram or letter. A motion for board of directors approval of the proposed submission to OSHA was seconded and approved. Mr. Gabrielson was praised for the outstanding work he had performed as chairman of the task force.

Shoup vs. Johns-Manville et al.

AIA/NA counsel, Adrian May, reviewed the suit, Shoup vs. Johns-Manville et al. in which the Association is named a defendant. Mr. Shoup, a former installer of insulation materials residing in Wayne County, Michigan, alleges that he has terminal cancer as a result of working with asbestos and fiberglass materials and that manufacturers and asbestos related associations have engaged "in a conspiracy of silence" and negligently failed to warn him thus committing breach of warranty; that the products with which he worked are the cause of his illness and he therefore claims \$1 million general damages plus \$1 million punitive damages. Essentially, Mr. May stated this is a product liability suit. He discussed initial legal actions that should be taken.

Mr. May said his firm, Cadwalader, Wickersham and Taft was prepared to represent the Association, that the firm was already representing another defendant, the Asbestos Textile Institute, there there would, no doubt, be costs that would not be covered by the Association's retainer with Cadwalader. Mr. May said that Cadwalader had, in consideration of its obligation and time restraints from service on the Association, engaged local counsel to represent the firm and requested an extension for response to the court. (AIA/NA was served March 8, 1976.)

Mr. Dougherty advised that the Executive Committee recommends to the directors that Cadwalader, Wickersham and Taft be engaged to represent the Association and vigorously defend in this suit with direction and guidance of the Executive Committee. The motion was seconded and approved. Directors will be kept advised of progress in this matter through timely reports of counsel.

Legal Advisory Program

Mr. Dougherty introduced the problem of law suits against companies, the effect on the industry and reported on Executive Committee deliberations on how the Association could serve its members by maintaining a kind of mechanism for background information on pertinent litigation for the benefit of company attorneys. He advised that Mr. Gabrielson had studied this problem and prepared a paper on it which had been discussed by the Executive Committee. The paper was distributed. The Executive Committee recommended to the Board that it consider retaining Wendell B. Alcorn, Jr., Esq., the New York office of Cadwalader, Wickersham and Taft to fully review and analyze past and current legal cases pertaining to asbestos and health; and to consider computerizing the information for the benefit of companies who might require such information. The preparation of a detailed chronology of medical knowledge at the Institute of Occupational and Environmental Health was also suggested as part of the program. It was estimated the cost to complete the overall program outlined in the paper might amount to \$50,000, "the cost of settling one Borel theory case." The Executive Director was requested to distribute the paper to all members with a ballot to (a) approve or disapprove the establishment of a AIA/NA legal assistance program, as outlined, and (b) approve or disapprove delegating authority to the Executive Committee to appoint a legal affairs committee to guide the work of the special counsel. Ballots are to be distributed as soon as possible and returned to the Executive Director no later than April 30, 1976.

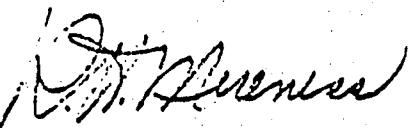
Dues Structure

Mr. Dougherty explained the Association procedure for structuring dues; that determination of dues is made by the directors based on dollar cost of asbestos consumed for previous calendar year with a minimum, at present, for all members of \$2,000. Companies are surveyed by the Association's accounting firm to preserve confidentiality. Based on totals, a millage rate is determined to cover Association needs. The approved 1976 budget is \$254,000. In February an additional \$25,000 was authorized. The accounting firm recommends that the millage rate for dues in 1976 be set at 2.5 (\$.0025) per dollar cost of asbestos consumed to provide dues of \$274,000. Additional contributions for the task force effort, interest income, the annual Industry-Government Conference and monies from publications would provide a total estimated surplus in 1976, income over expenses, of \$16,000. The Association entered 1976 with an approximate \$50,000 surplus. Therefore a total surplus of \$66,000 could be expected. However, expenses involved with the Shoup case, possible further work by the OSHA task force in connection with retention of special legal counsel, above discussed, may create obligations.

He pointed out that the proposed increase in millage rate must be considered in view of the fact that dollar value of asbestos consumed in 1975 was considerably down from 1974 because of mine strikes and other factors. Following discussion of the recommendation of the Executive Committee, and on motion, the 1976 dues rate was approved at 2.5 mills. Third and fourth quarter billings will be adjusted to reflect the annual rate.

Adjournment

There being no further business the meeting was adjourned at 3:35 P.M. Next regular meeting of directors is scheduled for June 10, 1976 at Stouffers National Center Hotel, Arlington, Virginia.



R. H. Mereness
Executive Director
12 April 1976