

PLAINTIFF'S EXHIBIT

UC-3015

UC 149-2



INTERNAL CORRESPONDENCE

RECEIVED
MAY 11

METALS DIVISION

P. O. BOX 579 • 4625 ROYAL AVE., NIAGARA FALLS, NEW YORK 14302

To (Name) J. L. Myers
Division UCC-Metals Division
Location Niagara Falls, New York

Date May 6, 1981
Originating Dept. "Calidria" Asbestos

Answering letter date

Copy to R. F. X. Fusaro
W. C. Thurber ✓
A. G. Voress
J. W. Whittlesey
File

Subject AIA/NA Regulatory Initiative
Activities

Attached for your information is the latest action by the AIA/NA in their efforts to resolve the long-standing regulatory uncertainty regarding asbestos.

H. B. Rhodes

H. B. Rhodes

HBR:da1
Attachment

UCC 001213



ASBESTOS INFORMATION ASSOCIATION

1745 Jefferson Davis Highway, Crystal Square 4, Suite 509
Arlington, Virginia 22202 • (703) 979-1150

May 1, 1981

Memorandum For: EXECUTIVE COMMITTEE

Subject: Forwarding of copy of AIA/NA letter
forwarded to Vice President Bush
on April 30, 1981

In keeping with decision reached at the Executive Committee meeting on April 21, your attention is invited to the enclosed letter to Vice President Bush dated April 30 re asbestos industry issues for the Task Force on Regulatory Relief. You will note that this submission is the lead article for the News & Notes issue of April 30 (mailed separately).

Blind copies of the AIA/NA letter to Bush have been delivered to Mark Cowan (OSHA) and Ed Klein (EPA).

A handwritten signature in dark ink, appearing to read 'B. J. Pigg'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

B. J. Pigg
Executive Director

Enclosure



ASBESTOS INFORMATION ASSOCIATION

1745 Jefferson Davis Highway, Crystal Square 4, Suite 509
Arlington, Virginia 22202 • (703) 979-1150

April 30, 1981

The Honorable George Bush
Vice President
The White House
Washington, D.C.

Re: Asbestos Industry Issues for the
Task Force on Regulatory Relief

Dear Mr. Vice President:

The Asbestos Information Association/North America (AIA/NA) represents some 50 miners, millers, and manufacturers of asbestos and products containing asbestos. AIA/NA has for the past decade actively cooperated with the government to implement reasonable and cost-effective regulations to protect workers and the general population from the risks posed by excessive asbestos exposure. Our efforts to cooperate with government officials have met with varying success over the years, and thus we welcome the sincere willingness of the new Administration to seek rational decisions and meaningful regulation.

In this letter, we would like to outline briefly the current status of regulation of the asbestos industry, the continuing uncertainty posed by outstanding proposals for further and stricter regulation, and our willingness to work closely with government officials to seek a comprehensive solution to a number of outstanding asbestos issues.

Asbestos is one of the most regulated substances in the United States. It was the first substance for which the Occupational Safety and Health Administration (OSHA) promulgated workplace standards, and similar standards have been adopted by the Mine Safety and Health Administration (MSHA); and it is among the four substances for which the Environmental Protection Agency (EPA) has issued a National Emission Standard for Hazardous Air Pollutants (NESHAP) regulation under the Clean Air Act. EPA has also established under the Clean Water Act effluent limitations and new source and pretreatment standards for asbestos manufacturing. In addition, rulemakings have been completed over the last decade at both the Food and Drug Administration

The Honorable George Bush
April 30, 1981
Page 2

(FDA) and the Consumer Product Safety Commission (CPSC) on use of asbestos in particular products, and asbestos-specific regulations have been issued by the Department of Transportation. In general (with the prominent exception of some provisions of the OSHA standard), these existing regulations are not unreasonable and do not impose inordinate costs on the asbestos industry that are unjustified by the realistic need to prevent excessive human exposures to asbestos fibers.

Much more threatening to the asbestos industry are the numerous proposed regulations which in some respects individually, and certainly cumulatively, if ever implemented could totally eliminate use of this versatile mineral in the American economy. Indeed, the very existence of such proposals has over recent years caused such uncertainty that new capital investment has been discouraged and marketplace disruption has already occurred for many asbestos-containing products.

As detailed in the accompanying one-page summaries, regulations currently proposed or threatened by preliminary activities among the regulatory agencies (in order of highest priority) that threaten the asbestos industry include:

1. A proposal outstanding at OSHA since 1975 to reduce the permissible workplace exposure level from 2 to .5 fibers/cubic centimeter, and outstanding recommendations by NIOSH to reduce that standard even lower to .1 fibers.
2. Announcement by advanced notice of proposed rulemaking in 1979 at EPA under Section 6 of the Toxic Substances Control Act (TSCA) of consideration of the possibility of banning all industrial and commercial uses of asbestos.
3. Announcement by advanced notice of proposed rulemaking in 1979 at the CPSC of consideration of the possibility of banning all uses of asbestos in consumer products.
4. Outstanding water quality criteria for asbestos issued by EPA under the Clean Water Act that, although they do not yet have formal regulatory impact, have already created marketing problems for asbestos-cement pipe manufacturers.

The Honorable George Bush
April 30, 1981
Page 3

5. A proposal by EPA under TSCA Section 8(a) to collect enormous amounts of information on asbestos in support of numerous efforts to regulate asbestos more stringently.
6. A proposal by EPA to identify asbestos in schools and notify school residents if it is found.
7. Plans by EPA to reassess the existing NESHAP asbestos regulation with the possibility of tightening its requirements.

In addition to these asbestos-specific regulatory activities, numerous generic proposals concerning hazardous chemicals are of continuing concern to the industry. For example, regulatory proposals implementing both the Resource Conservation and Recovery Act (RCRA) and the recently enacted Comprehensive Environmental Response, Compensation and Liability Act (Superfund) refer, or are expected to refer, to asbestos waste disposal practices. Asbestos use also is affected by proposals such as the OSHA Cancer Policy and EPA's generic proposals pursuant to TSCA Section 8 for collection of health and safety studies, adverse reaction, and economic information on all chemical substances.

AIA/NA supports rational regulation of asbestos, and we have already been active in communicating with the concerned agencies on each of the proposals or plans listed above. Most significantly, we recently wrote to the new head of OSHA, Mr. Thorne Auchter, to express our concern that uncertainties created by the continuing existence of outstanding proposals from that Agency have curtailed capital investment in, and created great marketing difficulties for, the asbestos industry. Our letter to Mr. Auchter also more generally summarized a number of concerns the industry has had about over-zealous government activities in recent years; we enclose a copy for your information.

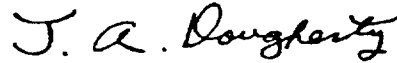
As indicated in our letter to OSHA, and as we have communicated both formally through written comments on recent proposals and in informal meetings with EPA and CPSC, AIA/NA is anxious to work cooperatively with the government to resolve perceived inadequacies in asbestos regulations. At the same time, we are very concerned that any such new regulations be limited to what is necessary and cost-effective. In our communications, we have stressed that the integrally inter-related character of the various proposals demand that the government coordinate its asbestos actions. For example,

The Honorable George Bush
April 30, 1981
Page 4

all three agencies -- EPA, OSHA and CPSC -- have been considering labeling regulations for asbestos-containing products. Industry requires coordinated review and cooperation among all agencies to end the uncertainty about its future that will exist as long as any of the agencies is considering drastic regulatory proposals. We urge the Task Force on Regulatory Relief to consider the series of regulatory actions aimed at the asbestos industry as a package whose ultimate resolution should be viewed as a whole.

AIA/NA sincerely appreciates the willingness of the new Administration to seek inputs such as this in its effort to reform regulation. We stand ready, willing and able to assist the government in achieving a regulatory environment that both protects health and encourages the safe and productive use of asbestos and asbestos-containing products.

Respectfully yours,



Thomas A. Dougherty
President

Enclosures

cc (w/ encls.): The Honorable Malcolm Baldrige
Dr. James C. Miller, III
C. Boyden Gray, Esq.
Assistant Secretary Thorne Auchter
Acting Chairman Stuart M. Statler
Acting Administrator Walter Barber

OSHA ASBESTOS STANDARD

Source of Rule: Occupational Safety and Health Administration.

Citation: The existing asbestos standard is at 29 C.F.R. §1910.1001; a proposed revision that would, inter alia, reduce the permissible workplace exposure from 2 to .5 fibers/cubic centimeter was announced at 40 Fed. Reg. 47652 (Oct. 9, 1975). In both 1976 and 1980, NIOSH recommended to OSHA that the permissible exposure level be set at what it considered the lowest feasible level, i.e., .1 fiber/cc.

Agency's Claimed Basis: OSHA contends that new evidence has come to light since the existing standard went into effect demonstrating risks to be higher than previously thought; but, in fact, there is a clear absence of evidence demonstrating a substantial risk at the existing standard.

Description of Problems: Three major problems exist: (1) continued uncertainty about future stricter regulation discourages capital investment and marketing of asbestos products; (2) the existing standard, although intended to cover the construction industry -- which uses three-fourths of the asbestos-containing products in this country -- is in fact ill-suited and unenforceable because of the transiency of the work force, the absence of fixed and thus controllable work sites, and the intermittent nature of asbestos exposures; and (3) the existing standard requires medical surveillance and recordkeeping in many circumstances where such costly requirements cannot be justified.

Estimated Cost: OSHA has predicted annual costs of meeting .5 and .1 fiber standards as \$300 and \$600 million, respectively. In fact, the impossibility for most asbestos operations of complying with a .1 standard would mean a much greater economic cost due to the loss of asbestos to the American economy.

Proposed Solution: As AIA/NA has already proposed in its April 1, 1981, letter to OSHA, the Agency should: (1) withdraw officially its 1975 proposal, reject NIOSH recommendations, and reaffirm the adequacy of the 2 fiber standard; (2) issue a revised standard for the construction industry that relies on approved work practices for minimization of excessive exposures, as recommended to OSHA by AIA/NA in February 1980; and (3) revise the existing standard to establish trigger levels below which medical surveillance and recordkeeping requirements do not apply.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042

EPA'S ASBESTOS COMMERCIAL AND
INDUSTRIAL USE PROPOSAL

Source of Proposal: Environmental Protection Agency.

Citation: -EPA's ANPRM, pursuant to the Toxic Substances Control Act Section 6, was published at 44 Fed. Reg. 60061 (Oct. 17, 1979), and amended at 44 Fed. Reg. 73127 (Dec. 17, 1979).

Agency's Claimed Basis: EPA contended in its 1979 ANPRM that the dangers of exposure to asbestos are great enough that all emissions at all parts of its life cycle are potentially dangerous, thus possibly justifying complete or partial bans on asbestos-containing products. In fact, human exposures to asbestos have already been considerably controlled so that the remaining de minimis exposures of most of the population are not a health hazard. Moreover, the admittedly higher exposures of some workers are already regulated by an OSHA standard, and have never been shown not to prevent significant risk.

Description of Problems: By indicating that it is considering partial or complete bans on asbestos use, EPA has created great uncertainty for industry; sales and capital investment have been discouraged, and unwarranted expenditures to develop substitutes have been encouraged.

Estimated Cost: EPA has not completed a cost analysis of its proposal, 46 Fed. Reg. 3479 (Jan. 14, 1981), but has noted that it would expect: "Asbestos mines and asbestos processors would be forced to reduce production, and many processors will be forced out of the asbestos business.... Substitute products generally cost more than asbestos-containing products, and these costs will be passed on to consumers."

Proposed Solution: AIA/NA has actively encouraged EPA to reject its life cycle approach and its zero risk philosophy that any exposure is too much exposure and to refocus its efforts on determining whether there now exist any particular asbestos exposures that can and should be reduced. With such a refocusing, industry would be able to cooperate with the Agency to seek meaningful regulation, where appropriate, for those few areas where stricter control of asbestos emissions might be warranted.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042

CPSC PROPOSAL ON ASBESTOS IN CONSUMER PRODUCTS

Source: Consumer Product Safety Commission.

Citation: The CPSC's proposal was issued as an ANPRM at 44 Fed. Reg. 60057 (Oct. 17, 1979) and amended at 44 Fed. Reg. 73121 (Dec. 17, 1979); a general order seeking information on asbestos use in certain asbestos-containing consumer products was issued at 45 Fed. Reg. 84384 (Dec. 22, 1980).

Agency's Claimed Basis: The CPSC contended in its ANPRM that asbestos was contained in a wide variety of consumer products and constituted an unreasonable risk to consumers. In fact, almost without exception, the only asbestos in consumer products involves fibers that are locked-in, encapsulated or totally enclosed such that there is no possibility of any significant fiber release.

Description of Problem: The continuing threat that the CPSC may attempt to ban uses of asbestos in consumer products -- either through formal rulemaking or through publicity campaigns launched without any scientific investigation as was the case in 1979 when the Commission attacked hair dryers -- has discouraged continued asbestos use. Considerable expenditures have been forced on industry to develop less adequate and more costly substitutes.

Estimated Cost: The CPSC has not conducted a study of the costs of eliminating asbestos use in consumer products, but substitutes for many asbestos uses are known to be considerably more expensive.

Proposed Solution: The CPSC should officially terminate its investigation of asbestos in consumer products. To the extent there is any possible consumer product that poses an unreasonable risk -- which is very unlikely -- continuing investigations at EPA can resolve such problems.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042

EPA'S WATER QUALITY CRITERIA FOR ASBESTOS

Source: Environmental Protection Agency.

Citations: Pursuant to the Clean Water Act, Sections 303 and 304(a)(1), and 40 C.F.R. § 35.1550 and Part 120, EPA proposed a water quality criteria for asbestos at 44 Fed. Reg. 56628 (Oct. 1, 1979), and adopted the exact same criteria without modification -- or even any Agency comment despite having received compelling criticisms -- at 45 Fed. Reg. 79318 (Nov. 28, 1980).

Agency's Claimed Basis: EPA claims that its water quality criteria document for asbestos is intended to establish a baseline to protect public health; but, in fact, the criteria is based on such an utterly deficient science that it is most likely to lead to excessive and overly-costly concern about the presence of asbestos fibers in water.

Description of Problem: All of EPA's recently issued water quality criteria have been subjected to significant scientific criticism by, inter alia, the Agency's own Scientific Advisory Panel. The criteria document for asbestos is especially deficient. Beyond sharing with all the criteria the lack of an accepted scientific methodology, the asbestos document is based on a biased and narrow slice of the relevant scientific data. States are likely, given EPA's position that the criteria have presumptive applicability, to rely on this document to set standards for asbestos in water. If so, such standards would cause inordinate expenditures to eliminate non-existent health risks. Moreover, sales of asbestos-cement pipe, which under certain conditions release minimal amounts of fiber into the water, have already been reduced because of unjustified fears generated by the risk estimates in the criteria document.

Estimated Cost: No cost figures are available on the impact of this document, but any attempts to limit asbestos fibers to the levels suggested would be prohibitive.

Proposed Solution: EPA should withdraw its water quality criteria for asbestos, subject its entire procedure for such assessments to peer review and reanalysis, and then completely rewrite a water quality criteria for asbestos, based on the best available scientific evidence.

Originators:

Mr. Joseph C. Jackson
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202) 857-5042

Mr. B. J. Pigg, Executive Director
Asbestos Information Association/North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

EPA'S ASBESTOS REPORT AND RECORDKEEPING PROPOSAL

Source: Environmental Protection Agency.

Citations: Pursuant to Toxic Substances Control Act Section 8(a), EPA proposed reporting and recordkeeping requirements for asbestos manufacturers and processors at 46 Fed. Reg. 8200 (Jan. 26, 1981).

Agency's Claimed Basis: In order to support its planned TSCA Section 6 rule on commercial and industrial uses of asbestos and other government asbestos-related initiatives, EPA claims a need for detailed information on past asbestos use.

Description of Problem: The proposed reporting and recordkeeping requirement seeks very comprehensive and very detailed information -- e.g., asbestos fiber consumption data broken down by both fiber type and grade going back 10 years; sales and asbestos use data for more than 200 asbestos-containing products; and detailed descriptions of pollution control equipment -- from more than 6,000 manufacturers or processors. Because the proposal is so broad and detailed, it seeks far more information than would be of use to the Agency and will be unduly costly and burdensome to industry.

Estimated Cost: EPA estimates compliance costs will be from \$2.1 to \$3 million.

Proposed Solution: As AIA/NA has already told EPA in its response to the proposal, the Agency should limit its reporting and recordkeeping requirements to its legitimate information needs.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042

EPA ASBESTOS IN SCHOOLS PROPOSALS

Source: Environmental Protection Agency.

Citations: EPA announced plans pursuant to Section 6 of the Toxic Substances Control Act to require all public and private schools to identify asbestos-containing products in schools and then to take corrective steps to reduce asbestos exposures in an ANPRM at 44 Fed. Reg. 54677 (Sept. 20, 1979) and proposed the first phase of such actions to require identification at 45 Fed. Reg. 61966 (Sept. 17, 1980). It has since announced cancellation of the phase two correction rule at 46 Fed. Reg. 23726 (April 27, 1981).

Agency's Claimed Basis: EPA claims to have identified unreasonable risks posed by asbestos-containing products (primarily insulation) in schools built in the 1950's, 1960's and early 1970's. However, the levels of asbestos fibers in the vast majority of schools are so low -- often in the same ranges as ambient concentrations -- that such risk findings cannot be sustained.

Estimated Costs: EPA estimates that the compliance costs for identification and notification will be \$5.2 million.

Other Impacts: By issuing scientifically unsupportable risk assessments and by continuing to press for major costly actions to correct de minimis or non-existent risks, EPA raises undue fears among the population that very low levels of asbestos exposure pose any risk. Such activities also discourage asbestos use in circumstances where it can be safely employed in a cost-effective manner.

Proposed Solution: EPA should drop its plans for compulsory TSCA rule-makings on asbestos in schools and rely, as it had until 1979, on a program of voluntary technical assistance to local schools who are concerned about the possibility of risks from asbestos in their schools. The Agency should also heed the significant peer review criticisms made of the risk assessment issued as part of its proposal and completely revise the assessment.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042

EPA NESHAP REGULATION OF
ASBESTOS EMISSIONS TO THE AMBIENT AIR

Source: Environmental Protection Agency.

Citations: Pursuant to Section 112 of the Clean Air Act, EPA issued a National Emission Standard for Hazardous Air Pollutants (NESHAP) for asbestos at 38 Fed. Reg. 8820 (April 6, 1973), which has been amended three times -- at 39 Fed. Reg. 15396 (May 3, 1974), 40 Fed. Reg. 48292 (Oct. 14, 1975), and 42 Fed. Reg. 12127 (March 2, 1977) -- and is codified at 40 C.F.R. §§61.21-61.23. Revision of the NESHAP regulation is included in EPA's newest Agenda of Regulations, 46 Fed. Reg. 23704 (April 27, 1981).

Agency's Claimed Basis: The existing NESHAP asbestos regulation prohibits visible emissions of asbestos from mining and manufacturing facilities and in the disposal of asbestos and establishes work practice standards for demolition of structures containing asbestos. Although the existing standard has proven workable for industry and effective in reducing asbestos exposures, EPA is in the early stages of considering imposition of a stricter quantitative emissions standard premised on as yet unsubstantiated beliefs that existing emissions pose general population health risks.

Description of Problems: Should EPA ever seek to amend the asbestos NESHAP substantially, most particularly through a quantitative emissions standard, significant questions would exist about monitoring given the technological difficulties of measuring low levels of airborne asbestos, and, inevitably, significant costs would be placed on industry both to measure and to control further such emissions.

Estimated Cost: In the absence of any proposal to date from EPA, costs cannot be estimated.

Other Impacts: Like the many other threatening asbestos regulatory proposals or plans, EPA's plans to consider stricter NESHAP regulation causes uncertainty in the industry that affects both capital investment and sales.

Proposed Solution: EPA should recognize the adequacy of the existing NESHAP asbestos regulations and curtail expensive outside contractor efforts to make the standard stricter.

Originators:

Mr. B. J. Pigg
Executive Director
Asbestos Information Association/
North America
1745 Jefferson Davis Highway
Crystal Square 4, Suite 509
Arlington, Virginia 22202
(703) 979-1150

Mr. Timothy S. Hardy
Kirkland & Ellis
1776 K Street, N.W.
Washington, D.C. 20006
(202)857-5042