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OFFICIAL REPORT OF PROCEEDINGS

before the

Occupational Safety and Health Administration

of the

U. S. DEPARTMENT OF LABOR

Docket No.

In the matter of

STANDARD FOR EXPOSURE TO ASBESTOS DUST,
PROPOSED RULE MAKING

PUBLIC HEARING

Place: Washington, D.C.

Date: March 14, 1972 Pages 27 through 103

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MR. LEAMAN: I am B. F. Leaman, Vice President for ...ional Affairs, Certainteed Products, Valley Forge, Pennsyl...nia.

Before submitting my own remarks, I would like to ...sent--which I have done for the record in duplicate the ...itten views of my company on the proposed standard for ...posure to asbestos dust.

EXAMINER GOLDBERG: We will mark the submission ... Certainteed Company as exhibit 45. And it is received.

(Exhibit 45 is marked in evidence.)

MR. LEAMAN: Certainteed Products Corporation ... a diversified manufacturer of asphalt roofing fiberglass ...ulations, polyvinyl fluoride, pipe and siding, mill work, ...peting asbestos cement pipe and other items in the ...ilding primarily of shelter.

Certainteed also wholesales building materials and ...ing products in various locations around the country. Sales ... 1971 approximated $330 million. The principal use of asbestos ... CPT is in the manufacture of asbestos cement pipe. This ...e is used primarily for the transmission of water under ...essure and for sewer pipe.

A majority of sales is in pressure pipe. Because of ... strength-imparting qualities of the asbestos fibers, the ...e can be made strong enough for pressure fluid transmission. ...essure pipe cannot be made of cement without asbestos.

In the written views you will find a detailed alysis on the effect on Certainteed, its employee and the blic if, because of the promulgation of too harsh a standard the labor department we are required to terminate our bestos cement pipe manufacturing business.

I would like to highlight just a few of the statis- s that are in much greater detail in the written report. If should be necessary to curtail production and in fact gone of the business of manufacturing asbestos cement pipe, gross profit would be completely lost to the company, ediately.

In addition machinery and equipment within the ms must be considered a total writeoff as this ipment can not in general be utilized for any type of ufacturing activity and salvage value would probably pay y for the removal cost.

The marketability of land and building is a ection work at best but for the purpose of the study we sume that net book value can be recovered over an extended riod of time.

In the area of inventories it was also necessary make some assumptions. We will assume that we would be ght short with a normal supply of asbestos fiber and rubber gs and that these materials would have no recoverable value.

For finished cement pipe inventory, we are assuming a 25 per cent loss on finished and in-process inventory. The profit loss from asbestos cement pipe operations would be somewhat reduced from the company's standpoint due to the corresponding reductions in additional operations and, therefore in personnel.

The effects discussed above can be dollarized as follows:

The net book value of our asbestos cement pipe operation is 26 million dollars. We would expect a loss write-down of $10,439,000. The effect on people employed and wages paid.

In considering the effect of a shutdown of asbestos cement pipe operations on employment and wages we have used the same assumptions as for the previous profit and loss calculations.

In other words, we will assume the dismissal of all asbestos cement plant employees, all of asbestos cement general manufacturing employees and all of the [illegible] per cent of administrative employees.

Under these assumptions, personnel reductions and gross wage reductions would appear as follows:

A total of 1,003 employees, we would reduce [illegible] with a total wage level of $8,630,304.

In three of our six-plant locations, we are the largest employer in the community. All people dismissed from our pay roll with almost certainty would be added to the unemployment and welfare rolls of those communities.

Thirdly, the effect of shutting down on supplies and other recipients. We spend about $30 million a year to suppliers not including the paying of federal taxes. It appears to be a safe assumption that about 300 people would be thrown out of work by our vendors and truckers.

Equally important a strong, viable enterprise having contributed $2,377,000 in federal income taxes plus $500,000 in local property taxes would be forced out of business by government action at a time when our government is actually subsidizing many marginal and sub-marginal industries which have been in business for many years simply to preserve jobs for the American worker. Furthermore, we would be abandoning a labor intensive business and the jobs could not be preserved if the assumption was made that all AC pipe business could be replaced by PVC and other products requiring substantially less utilization of labor.

AC pressure pipe for water transmission represents about 30 per cent of the entire market in the United States and AC sewer pipe about 15 per cent. The uses to which these products are put are essential to the public and to the environment. Replacement of these products could not take place overnight, nor would it be inexpensive.

We have made some rough calculations as to the [illegible]t of compliance with the proposed rules and the Advisory [illegible]mittee Report. Keeping in mind that each plant has [illegible]tain peculiar problems all its own, it is our best estimate [illegible]t compliance with the proposed rules will result in an [illegible]erage per-plant expenditure of $200,000 or with six [illegible]ants, a total capital investment of $1,200,000.

Even with this expenditure we view at least [illegible]ree operations within our plants that under the five fiber [illegible]t will require the employee performing the job to wear [illegible] respirator. In addition this does not estimate the [illegible]ditional annual operating cost that would be required [illegible] administer the program. To meet the requirements of the [illegible]visory Committee Standard, we estimate the capital cost [illegible]uld be double that required under the proposed standard for [illegible] total of $2,400,000.

However, and I wish to emphasize this as strongly [illegible] I can, we do not at this time feel that even with this [illegible]penditure we will be able to comply with the two-fiber [illegible]andard. The technology has not been related to cover all [illegible] the situations in or around asbestos cement pipe plant.

Again such an expenditure does not include the in-[illegible]eased operating costs that necessarily flow from the [illegible]visory Committee's standards. It is clear, though, that [illegible]ese costs will be substantially greater than under the posed standard which is set forth in the written material ts many of the positions espoused by the Advisory mittee report. By our proposed standard, we are submitting inteed to most of the expenditures set forth above.

We sincerely ask that the Labor Department not consider going to a two-fiber standard and thereby rease these costs to what may be an intolerable level. inteed is a diversified manufacturer and our management l not commit capital funds to one segment of our business the detriment of other segments of our business competing the same dollars if the expenditures can not be recovered may not even preserve the life of that division.

If there is any doubt about the future of cement management will have to divert funds.

Our management has indicated it will commit the llars necessary to engineer to a five-fiber standard to the ent that it technologically could be done. They have sidered but not committed to the expenditure of any funds the standard is set at two fibers.

I wish to emphasize Certainteed's position that can not continue in the asbestos cement pipe business if a ndard is promulgated which includes product labels and/or restrictive waste disposal systems.

We feel strongly that any label on our finished duct, particularly pipe, to be used for drinking water ansmission would immediately make it unsalable.

Municipalities subject to political pressures would t take a chance on a product so labeled. There is no idence that ingestion of asbestos fiber in any way is rmful. However, all the public and the public officials ill see when they see the label is the word "cancer" and he "No-Sale" sign will go up.

Whereas, in asbestos pipe cement the asbestos s bound into the product and then after leaving the plant t seems more than a little drastic to label the pipe in ch a manner as to make it unsalable.

We certainly do not quarrel with the desire to spose of or confine loose asbestos fibers but we have t figured out how you put ten to twenty tons per day of bestos into plastic bags.

It can be done but the cost would be prohibitive. feel asbestos scrap and waste, including asbestos t can be disposed of in quantity only in a land-fill where waste can be covered each day and will present no danger anyone.

Removal of the land fill would be by any conventional p and enclosed trucking method. The scrap and waste in h the fibers are found, in other words in pipe scrap present bound and disposal of these should not be governed by is standard.

In conclusion, Certainteed would point to these areas in which we have the greatest concern--fiber count dust, and waste disposal, label; repeating Certainteed does not know whether the standard it proposes is technological or economically feasible but if we can have a realistic standard in the form presented here we feel we can have a real possibility of compliance.

Thank you very much.

EXAMINER GOLDBERG: Thank you, Mr. Lesman. You are excused, sir.

Mr. Hall.

STATEMENT OF JOSEPH G. HALL, VICE PRESIDENT
GAF CORPORATION'S BUILDING AND INDUSTRIAL
PRODUCTS GROUP.

MR. HALL: I am Joseph C. Hall.

I am Group Vice President of GAF Corporation's Building and Industrial Products Group. I have been associated with GAF for 22 years and have been involved with asbestos products and their manufacture for all of these years.

GAF appreciates the opportunity to participate in your public hearings on the Proposed Asbestos Regulations. We want to cooperate in this important area and to assist in the writing of practical standards which protect the health of employees.