

FILE NAME: Avondale (AVD)

DATE: !Й°

DOC#: AVD1

DOCUMENT DESCRIPTION αζςύω° αωήύςσ !ś | ůő / ůψψϋúςς ůΩ
!σδξσúűσ

SHIPBUILDERS COUNCIL OF AMERICA

**Ad Hoc Committee on Asbestos
Minutes**

The Ad Hoc Committee on Asbestos held its first meeting on August 8, 1978 at the offices of the Shipbuilders Council of America in Washington, DC. Present were:

David R. Lavalette, Chairman	General Dynamics Corp.
Ann Aya	Sun Shipbuilding & Drydock Co.
Frank R. Darling	National Steel & Shipbuilding Co.
Terry G. Daughdrill	Litton/Ingalls Shipbuilding
Russell Guy	Bethlehem Steel Corp.
Edwin M. Hood	Shipbuilders Council of America
Frank R. Kesterman	Shipbuilders Council of America
Charles Klein	Tenneco/Newport News Shipbuilding
Donald Massengale	Litton/Ingalls Shipbuilding
Norman Portnoy	Todd Shipyards Corp.
Harold Strong	Alabama Drydock & Shipbuilding Co.
Daniel Whichard	Litton/Ingalls Shipbuilding

Guests

U.S. Navy Representatives

Carl H. Horst, CDR JAGC-OJAG
Bernard C. Stapor
Marvin P. Nerseeth, CDR JAGC-OJAC
Jerry E. Schultz
M. J. Cifrino

GENERAL DISCUSSION

The Chairman lead a roundtable discussion on the numerous inter-related subjects associated with defining, controlling and compensating asbestos related diseases. It was the sense of the Committee that this information exchange should continue in the Ad Hoc Committee and in the Industrial Health and Safety, Workers' Compensation and Industrial Relations Committees where appropriate.

ESTABLISHING ESTIMATES OF POTENTIAL LIABILITY

The Committee agreed to concentrate its initial efforts on defining the industry's potential liabilities from asbestos related claims and possible alternatives for limiting those liabilities. Accordingly, a questionnaire was developed to generate rough estimates of shipyard employment for the period 1941-present. Once the employment data has been compiled, the Committee will select a range of incidence rates for asbestos related diseases, and estimated benefits which could be paid under the Longshoremen's and Harbor Workers' Compensation Act. Using the data above and assumptions on the life expectancy of the workforce, hypothetical liability figures are to

derived. Once this data is in hand, the Committee intends to prepare a report for the purpose of briefing management on the scope of the asbestos liability problem.

INFORMATION EXCHANGE WITH THE NAVY

The Department of the Navy has stimulated and attracted wide spread publicity on asbestos exposure. In part, this may be attributed to the April 26, 1978 Statement of Secretary Joseph Califano, Department of Health, Education and Welfare. In that statement Secretary Califano states "I have spoken with the Secretary of Defense Harold Brown, and he has directed the Department of Defense personnel to work with us in taking appropriate steps to inform former military and Federal civilian workers in Naval Shipyards."

In connection with U.S. Navy representatives attending the meeting of the Ad Hoc Committee on Asbestos, it was learned that the Office of Workers Compensation Programs, Department of Labor is presently processing 400-600 asbestos claims from present and former employees of Naval shipyards. Benefits paid to Naval shipyard employees on claims under the Federal Employees Compensation Act are reimbursed from the NAVSEA budget. Hence, there should be some incentive to hold down the number of claims filed.

It was agreed that exchange of information was valuable and should continue in the future.

ASBESTOS INFORMATION

Mr. Kesterman provided the group with samples of booklets, papers and newsletters obtained from the Asbestos Information Association. The Committee recommended that the Council subscribe to the monthly newsletter of the Asbestos Information Association at the cost of \$48/year.

NEXT MEETING

The next meeting will be scheduled after the attached employment questionnaires are returned to the Council. Note these questionnaires are being sent out under separate cover to the presidents of the member companies.


Frank R. Kesterman
Vice President and
Secretary

SUMMARY RESULTS
ALLEGED ASBESTOS RELATED DISEASE QUESTIONNAIRE

A. EMPLOYMENT (1)

<u>Years</u>	<u>Tot. Avg. No. Employees on Payroll (as of Dec. 31)</u>	<u>Tot. Avg. Employed Annually (Including turnover) (2)</u>	<u>Estimated Total Different Employees (3)</u>
1941 - 1945	440,200	704,300	1,760,800
1946 - 1950	80,000	128,000	320,000
1951 - 1960	81,000	129,600	567,000
1961 - 1970	104,000	166,400	728,000
1971 - 1975	146,000	233,600	584,000

GRAND TOTAL 4,563,800

B. WORKERS' COMPENSATION CLAIMS

<u>Period of Filing</u>	<u>No. Claims Filed for Alleged Asbestos Related Diseases</u>
1960 - 1965	5
1966 - 1970	10
1971 - 1975	159
1976 - 1978	294

C. THIRD PARTY AND LIABILITY ACTIONS (4)

<u>Period of Filing</u>	<u>No. of Actions</u>
1960 - 1965	0
1966 - 1970	3
1971 - 1975	5
1976 - 1978	125

- (1) Insufficient data was reported regarding approximate average age of workforce.
- (2) Turnover rates assumed to be 60%/yr. or column 1 X 160%
- (3) Column 1 payroll at start of each period plus 60%/yr. x yrs. in period
- (4) This includes actions brought by or on behalf of members of employees family and other actions such as enjoiment by asbestos producers and/or suppliers regardless of merit or result.

ASBESTOS SURVEY - REPORTING COMPANIES

ALABAMA

AVONDALE

BATH

BETHLEHEM (ALL)

GENERAL DYNAMICS (ELECTRIC BOAT)

GENERAL DYNAMICS (QUINCY)

JACKSONVILLE

LITTON-INGALLS

NASSCO

NEWPORT NEWS

NORFOLK

ROHR

SEATRAN

SUN

TODD (ALL)