CC: H. C. Giles - Empl. Rel. Dept.
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February 16, 1967

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DEFENDANT'S EXHIBIT
Keuper-34
CPS 3-1-84

TO: R. J. HAM

FROM: C. J. LAWRENCE, JR.

CONTRACTS GENERAL - THERMAL INSULATION
STANDARDS FOR T.C. CONSTRUCTION INSULATION SHOPS

The hazards of asbestosis to employees working with insulation materials containing asbestos fibers have been recognized for some time but, in recent months, it has become much more of a problem in terms of Workmen's Compensation claims. Several claims involving our insulation contractors have been allowed or are now pending.

Although we are not presently involved, we believe it is necessary to take certain steps to try to avoid involvement from a third party liability standpoint. This exposure does exist under our CPPC form of contract and it is more of an exposure in the case in point since we provide the shop facilities, equipment, etc. Working with the Legal Department, the following provisions have been developed and will be incorporated in all of our thermal insulation contracts as soon as possible:

> "In recognition of the Contractor's superior knowledge and expertise in the handling, fabrication and application of insulation materials to be furnished, fabricated or installed under the terms of this contract, Contractor will consult with Du Pont and provide its advice in establishing minimum standards to be met in the construction and operation of the temporary Construction Shop facilities. These standards shall generally conform to current industry practice and shall include without limitation building size, isolation from other facilities, equipment spacing, equipment guards, ventilation, dust control, lighting, and personnel protective equipment. When the Shop facilities are ready for use, Contractor will inspect the facilities and acknowledge its compliance with the minimum standards so

established, and it shall from time to time review the condition of such facilities and make recommendations to Du Pont for the maintenance therein of current standards in the insulation industry."

The purpose, which is obvious, is to attempt to place all responsibility on the Contractor who should, in fact, have the best knowledge of the hazards and of the means of minimizing the risks. From a practical standpoint, our own standards are probably more demanding than what we will get from the contractors and, in the "consultation" and "advice", we would expect to suggest the "minimum standards" which we believe to be required and would expect the contractor to agree that they are adequate or suggest such additional safeguards as he deems necessary. We expect the reference to "conformance to current industry practice" to serve as a safeguard against unreasonable demands.

As the above provisions are incorporated in the various contracts, the involved sites will be so notified and each site having an insulation shop will then be required to request the "consultation" and "advice" from the contractor servicing the site. The necessary instructions as to procedure for handling will be furnished at that time. Any comments or questions as to the above should be referred to this office.

CJL:nlc