

ASBESTOS INFORMATION ASSOCIATION/NORTH AMERICA

Board of Directors Meeting
December 6, 1973

PLAINTIFF'S
EXHIBIT

GAR-84

National Association of Home
Builders' Building

Washington, D. C.

A meeting of the Board of Directors was held pursuant to notice on December 6, 1973 at 10:00 a.m. at the National Association of Home Builders' Housing Center, Washington, D. C..

The following Directors were present:

James Armstrong	Bendix Corporation
E. C. Bratt	H. K. Porter Company, Inc.
A. H. Fay	National Gypsum Company
W. E. Gatewood	Certain-teed Products Corp.
T. Dougherty	
A. R. Hooker	The Flintkote Company
J. H. Marsh	Raybestos-Manhattan
C. G. Morgan	North American Asbestos Corp.
J. L. Rainey	Amatex Corp.
William Thurber	Union Carbide Corp.
F. J. Solon, Jr.	Johns-Manville Corp.
Martin Sendecki (Proxy)	Congoleum Industries, Inc.
Joseph Hall	GAF Corporation
G. Parry Weiss	Garlock, Inc.
J. K. Whittaker	Nicolet Industries, Inc.

Also present: Frank Zimmerman, National Gypsum Company; Robert H. Mereness, Executive Director, AIA/NA; Carol W. Grant, AIA/NA; Jill Cummings, Cadwalader, Wickersham & Taft; Theresa Seeley, Government Research Corporation; Susan Simons, Government Research Corporation; and Matthew M. Swetonic, Hill and Knowlton, Inc..

Introductory Remarks

In opening remarks, Mr. Marsh, President, announced the formation of the Association's Technical Committee under the chairmanship of Edmund M. Fenner of Johns-Manville. He said the list of nominations from member companies would be reviewed in the next week, and a meeting of members of the Committee with OSHA officials would be held in early January. He stated that the Committee, in addition to working on provisions for Federal and State regulations as regards the

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use of asbestos, would serve as an advisory body to the president and the executive director in connection with technical matters concerning the asbestos industry.

Mr. Marsh spoke of the need for a medical spokesman for the Association. A discussion followed as to possible candidates for such a position and the availability of personnel with current recognized knowledge in the field of possible asbestos-related diseases.

The president welcomed representatives of two new member companies, Bendix and Garlock, and personnel providing legal and informational assistance to the headquarters staff.

Minutes

On motion, the Minutes of the previous meeting, September 12, were approved as submitted.

Report of the Executive Director

Mr. Mereness advised the move of the Association's office from New York to Washington was completed on October 1. He discussed the volume of office work resulting from increased activity of Federal and State governments and public interest groups regarding the asbestos-health issue. Mereness reviewed the objectives of the Association, commented on efforts to complete membership opportunities, and voiced his appreciation of the cooperation of members with the Association's staff. He spoke of close working relationships with asbestos trade associations and with the Quebec Asbestos Mining Association and the British Asbestos Information Committee. He said that actions were being taken to formally recognize these groups as affiliated members of the AIA/NA. He mentioned that a paper-back book was being considered as an Association publication which would "tell the asbestos story" and serve as an informational as well as a promotional "hand-out" for the industry.

Federal Government Affairs

Terry Seeley and Sue Simons of Government Research Corporation reported on Federal Governmental activities affecting the asbestos industry.

A. Occupational Safety and Health Administration (OSHA)

The early 1973 OSHA decision to re-open the asbestos standard and appoint an "outside" advisory committee was reversed in October when OSHA Administrator John Stender announced the procedure for

reviewing the standard. The procedure calls for developing a new standard within OSHA, which will be submitted to "outside" consultants for review, possibly in January 1974. Subsequently, OSHA will conduct in-plant tours to determine feasibility of proposals. By July 1974, OSHA expects to be ready to prepare its new standard. It is expected that the new standard will emphasize work practices and engineering controls at the same time retaining the numerical exposure level requirements of the present standard.

B. Food and Drug Administration (FDA)

The Food and Drug Administration proposed September 28 that asbestos filters be banned in the manufacture of parenteral drugs. FDA would allow asbestos filters to be used if followed by use of a non-asbestos filter. If a manufacturer could prove that the safety or efficacy of the drug would be compromised by the use of a non-asbestos filter, he would be permitted to use an asbestos filter. The comment period on the proposed regulation runs through December 1973. To date, FDA has received no comments on the regulation. However, the Environmental Defense Fund, which, along with the Center for Science in the Public Interest, has petitioned FDA to ban asbestos filters altogether, is clearly dissatisfied with the proposed regulation and can be expected to criticize the proposal.

C. Mining Enforcement and Safety Administration (MESA)

The Mining Enforcement and Safety Administration came into being during a re-organization of the Interior Department last Spring. It assumed from the Bureau of Mines responsibility for mine health and safety. Two standards that affect the asbestos industry are currently under consideration in MESA. One proposal would change the particulate standard now used in metal and non-metallic mines to a five-fiber standard. The comment period on the proposed rule ended in mid-October. No action has been taken. A MESA advisory committee met in October and will meet again in January to consider a definition of asbestos. Final action will not come before that meeting. The second MESA proposal applies to asbestos useage in coal mines. In November 1972, it was proposed that the current particulate standard be changed to a two-fiber standard. No action has been taken on this proposal because MESA officials do not want a two-fiber standard; they would prefer that the OSHA standard be adopted for coal mines. However, NIOSH, which does research for MESA, insists on the two-fiber standard. The Bituminous Coal Operators Association has demanded a hearing on the proposal. It appears likely that the hearing will be granted and that, consequently, final action on the standard will be postponed several months.

D. Workmen's Compensation

Major legislation to reform the workmen's compensation system is pending in Congress. The major bills have been sponsored by

Senators Williams and Javitts and by Representatives Perkins and Daniels. Separate bills sponsored by Senators Humphrey and Taft and by Rep. Frelinghuysen take a more limited approach to reform of workmen's compensation by providing Federal benefits for specific occupational respiratory diseases. Although these bills are unlikely to be enacted, they will generate publicity and thereby increase the demand for reform of the "work-comp" system. Of major importance in bills is the provision to re-define "arising out of or in the course of" to mean that work-related causes must be a contributing cause of injury or illness. Hearings on workmen's compensation, including a hearing to be held in Manville, N. J., are planned in 1974. Final actions will not occur until at least 1975. Industry position should be formulated now.

Environmental Protection

EPA's hazardous asbestos air pollution standards were set in final form in March 1973. They consist primarily of performance standards vice numerical standards, calling essentially for no visible emissions from a number of asbestos-related operations and imposing restrictions on demolition operations and asbestos content in spraying compounds. The Environmental Defense Fund has objected to these standards as being inadequate and relying on OSHA and MESA enforcement as sufficient for protecting the "environment" outside the workplace. EPA is now considering imposing additional controls on asbestos waste disposal sites and controls on additional fabrication operations where asbestos particles may be emitted into the air. EPA has taken air samples from a number of plants for evaluation by the Battelle laboratories. Results can not be expected before February 1974, therefore proposals for additional air controls on asbestos-related operations are not expected before Spring of next year.

EPA proposed a standard for water pollution controls for asbestos manufacturing plants on October 30. The standards have to do with seven asbestos product categories, but primarily asbestos-cement products, paper products, millboard, roofing and floor tile. Reaction has been unspectacular. Significant changes to the standards are not predicted. Publication date is planned for February 1974.

EPA has moved into the second phase of the asbestos water effluent program. The firm of Sverdrup and Parcel began six weeks ago to develop water pollution standards for textile products, gaskets, etc. not covered by the October 30 standards. The final development of these standards will not likely be completed until next April. It will be several months before these standards can be officially proposed.

Reserve Mining Trial

People following asbestos events knew standards were coming,

but high levels of asbestos in Duluth drinking water discovered last Spring resulted in a landmark environmental trial built around the issue of ingested asbestos and intense public pressure on the Federal environmental agency's entire asbestos control program that could not be anticipated. About 19 weeks have been consumed by the trial. Issues remain fuzzy. The asbestos issue was a late addition to the water pollution dispute between Reserve and the Government. The first phase of the trial -- still underway -- has been devoted to the public health issue -- that is, ingested asbestos -- and the issue of whether to close the plant immediately. From the start of the trial on August 1 until mid-September, the Government -- that is, EPA and the Justice Dept. plus assorted environmental groups -- argued their positions on the type of asbestos allegedly found in Lake Superior; its source, namely, Reserve, rather than tributary streams; and the movement of asbestos around the Lake. In late September, the Mt. Sinai scientists and others presented testimony on fiber counts in air and water, and repeated their frightening comments on the health of asbestos workers. Dr. Selikoff has not presented adequate data on tissue analyses from diseased Duluth residents. The mid-November Durham conference on ingested asbestos failed to add significant data. Without solid data, the presiding judge felt unable to support a decision to close the plant. The trial moved on to Reserve's witnesses, who have been testifying since early October. Reserve was slow in putting its medical witnesses on the stand, but several have testified, and several more will continue to refute the contention that the Duluth problem poses a significant health hazard via the water supply and that there is no x-ray evidence to show adverse health effects.

As it stands, the judge is disinclined to close the plant based on what he has heard. He plans to let the trial run through most of December and into the next phase of the case -- that is, the economic phase. This will allow determination of the economic consequence of requiring Reserve to either close down or to change its disposal operations.

While this has been happening in Minneapolis, EPA has been attempting to draft drinking water guidelines in response to a request from the Minnesota governor and the mayors of the various communities affected by Reserve's discharge. These communities don't know if they are in the midst of a health crisis or not -- they need official advice. EPA produced, in October, a recommendation that the asbestos levels in Lake Superior water supplies be reduced to levels technically achievable and more commensurate with levels found in water systems in other parts of the state. Technically, the recommendation must come from the President's Council on Environmental Quality.

It must be assumed we are one step closer to a drinking water standard on asbestos. This could have great impact on the asbestos

industry, particularly on A/C pipe, if it can be shown to contribute asbestos fibers to the water. EPA admits that they don't have enough data to support a numerical asbestos water standard, but they are basing the Lake Superior recommendation on "prudence", and it is likely that communities outside Minnesota will become jittery about water supplies if asbestos particles are found.

Environmentalists are planning to sue EPA for not immediately treating asbestos as a toxic water pollutant which EPA can regulate just as it regulates asbestos as an air pollutant. EPA believes it does not have enough data to support an asbestos standard, but the environmentalist's main arguments are that asbestos is a known carcinogen and that no intentional or avoidable contribution of asbestos to the water environment should be allowed. This argument could end up in court.

In sum, the asbestos industry faces five environmental policies: existing air pollution standards on asbestos; soon-to-be-finalized water pollution standards on asbestos manufacturers; a soon-to-be announced recommendation that asbestos be removed from drinking water in Minnesota; a likely asbestos drinking water standard; and a possible asbestos toxic water pollutant standard. Whether or not the industry will have to meet water standards in addition to air standards now depends on Mt. Sinai's ability to produce definitive ingested health effects evidence.

"The Image of the Industry"

Mr. Swetonic, past executive secretary of AIA/NA and presently an account executive for the public relations firm, Hill and Knowlton Inc., said that "from the press point of view, the asbestos industry, as a result of national attention to the asbestos-health issue, has news value only in the negative sense." That is, an industry in the present climate that can be criticized for alleged disregard for the welfare of its workmen and the general public. Swetonic said results of the AIA/NA Public Awareness Study show that the average man has little concern with or awareness of the health problems being associated with asbestos. He emphasized that it is unlikely that the tone and content of future national press articles on asbestos will be greatly improved by efforts of the AIA/NA but that the stories could become "even worse" if the Association does nothing to tell its story. A continuing active public relations program is necessary, he said, and the Association should plan its public relations program not only to be responsive but in creative and imaginative terms as well. Swetonic suggested a public relations program that would center within the Association "to take individual companies off the hook"; provide for wide dissemination of timely, constructive news releases and articles; carefully select responses to editors as a result of "damaging, irresponsible stories"; conduct advertising in the trade press; respond publicly to Government decisions affecting asbestos; assure appropriate representation

and actions at Government hearings and public meetings concerned with the asbestos issue; establish a priority list of target audiences for its public relations efforts.

Luncheon Speaker

Dr. Floyd Van Atta, Senior Industrial Hygienist, Division of Health Standards, OSHA, spoke at the noon luncheon. Van Atta talked of the "newness" of OSHA and the problem of establishing standards, setting regulations, approving state programs, and carrying out compliance. He talked of the "state of the art" in monitoring methodology and the importance of reasonable workplace procedures. He urged industry assistance in the development of procedures and practices, noting that NIOSH has funds for research, not OSHA. Van Atta said ten state occupational and health programs have been approved to date. (It is believed the figure should be 20). He also said OSHA would not increase the current number of Federal compliance officers. (OSHA's '74 budget requests 64 additional compliance officers and the Labor-HEW appropriations bill approved by joint House-Senate Conference Committee provides for an increase of 245 compliance officers).

"Role of Individual Companies in Meeting the Asbestos-Health Issue"

Mr. Whittaker stated that AIA membership implies compliance with all laws and regulations pertaining to asbestos. He said that if members do not respect the intent and purpose of occupational safety and health regulations, they are doing a disservice to the Association and the industry. He suggested a program of company visits -- to see how the other fellow is meeting problems in common. He said there was information and "know-how" within the member companies that would be beneficial to the entire industry. There was no objection to his proposal which could be worked out on a company-to-company basis. He also suggested exchange of company safety and health technicians to increase methodology and techniques in compliance procedures.

Mr. Fay made a motion that data on investment, employment, and other information which might be helpful in preparing an "industry profile" be provided to the Executive Director. A questionnaire to member companies would be prepared by the Executive Director and input from individual companies received by February 15, 1974. The motion was approved and so ordered.

Mr. Armstrong urged that the Association come up with recommendations for changes to the OSHA regulations. Mr. Marsh pointed out this was one of the purposes of creating the Technical Committee. A motion was made and approved for the Technical

Committee to obtain all data necessary to preparation of industry standards and procedures from member companies, including travel and visits, as necessary.

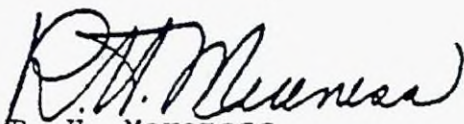
Financial Report

The Association's financial report was distributed. Mr. Marsh commented on extra-ordinary expenses involved in the move of the office from New York to Washington. He said the Association financial status was sound but the Association did not have current funding leverage to permit any unusual expenses over and above those provided for in the 1974 budget.

New Business

The date for the next regular meeting of the Board of Directors was set for March 7, 1974 in Washington, D. C., commencing at 10:00 a.m..

There being no further business, the meeting was adjourned at 3:05 p.m..


R. H. Mereness
Executive Secretary

December 13, 1973