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To: Mr. D. R. Thacker November 15, 1973

From: J. J. Marino

Subject: Phasing Out Asbestos-Based Products

As a basis for deciding when we should discontinue production of asbestos based products, I have reviewed the sales reports from January, 1972 to present The attached graph, Fig. I "Asbestos Product Sales vs. Non-asbestos Sales" shows the monthly sales of "Panelag" and "Insulag" as well as the non-asbestos substitutes "Panelex" and"Insulag A-F". The Panelex series which include Panelex, Panelex T-P, and Panelcote appear to be gaining acceptance in place of Panelag. Insulag A-F however does not appear to show any significant inroads into the Insulag sales. The reason for this may be that we have not made any great attempt to switch our customers to the non-asbestos modification.

Fig. II shows our "Accumulated Average Consumption of Abestos" for Panelag, Insulag and their combined total. Although Insulag has higher net sales it has a lower percent of asbestos than Panelag (9.7% vs. 20%). This is why the asbestos consumption is not appreciably higher in Insulag. Please note that the accumulate average of tonnage per month of asbestos is in a definite down trend. In 1972 the average was 15.8 tons per month asbestos consumption at Old Bridge. In 1973 the 10 month average year-to-date is 13.9 tons per month.

In addition to Panelag and Insulag as consumers of asbestos, Insulag BOF consumes an average of 1.5 tons per month of asbestos type 7-T. The type 6-D asbestos is used in Insulag and Panelag.

As of Nov. 9, 1973, 69 tons of type D asbestos and no type 7-T asbestos is in storage at Old Bridge. A rail car of asbestos 6-D was an order and just cancelled. For Insulag BOF, type 6-D asbestos can be used as a substitute to 7-T.

Based on a monthly consumption of 15.4 tons (13.9 + 1.5) it is anticipated that we can fill orders for Insulag, Panelag, and Insulag BOF for the next 4 1/2 months or until March 31, 1974.

It appears that we have three choices on how to phase out of the asbestos based products.

1) Produce products as ordered with a cut-off date of March 31, 1974.

2) Have a production campaign where all the asbestos is consumed and the products put into storage. Shipments to continue until March 31, 1974.

3) Determine a production cut-off date at which time all remaining asbestos will be consumed in production of products. The products put into storage for shipments made until March 31, 1974.

Dreyling Ex. 2(A)
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The only reason for choices 2 and 3 is the desire to stop the use of asbestos at Old Bridge as soon as possible. Choice 2 is impracticable due to the unavailability of storage space and raw materials at Old Bridge. Projecting the consumption on our average sales we would have to produce 346 tons of Insulag, 141 tons of Panelag and 44 tons of Insulag BOF. Choice 3 offers a compromise which is recommended. The recommendation is as follows.

Produce Insulag, Panelag, and Insulag BOF (using asbestos 6-D) as ordered until January 15, 1974. At that time enter into a final campaign and consume all the asbestos and produce products to be placed into storage. In the meantime notify our customers that after March 31, 1974 all orders for Insulag, Panelag and Insulag BOF will be filled with the non-asbestos substitutes, Panelcote for Panelag, Insulag A-F for Insulag and the non-asbestos substitute for Insulag BOF, which has yet to be developed. The final campaign should be 1:3:8 of Insulag BOF, Panelag and Insulag respectively.

In a meeting with Corporate Safety on November 9, 1973 the following recommendations were set forth in light of our overall situation described above:

If we stop production of asbestos based products by April 31, 1974, then the following is recommended by Corporate Safety:

1) Schedule cleanups of production area after final production to rid area of asbestos

2) Discard all wastes

3) On all bags containing asbestos materials appropriate labeling should be present. (The label on the asbestos bag would be adequate).

4) Request Mr. Vines to arrange for physicals for Old Bridge employees in the last quarter of 1974. These physicals to take the form of a mobile X-ray unit to conduct chest x-rays and a lung function study.

If we do not stop by April 31, 1974, then Corporate Safety feels we should meet with them to evaluate possible courses of action to assure ourselves all applicable OSHA requirements are being adhered to.

The above should be sufficient for a final decision in this matter. If you require any further information, please let me know.

J. J. Marino

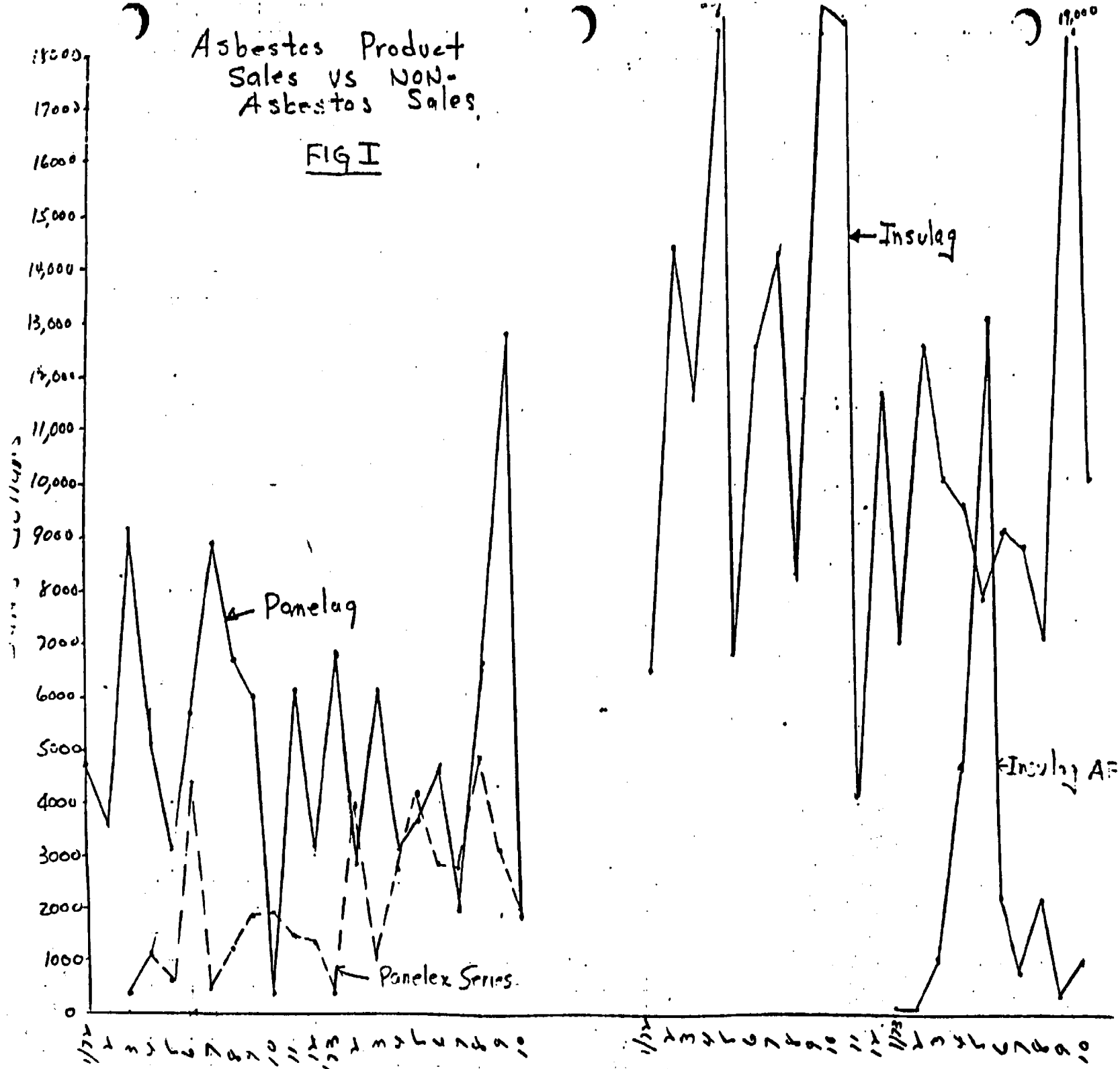
Encl.
JJM/sb

cc: Mr. L. Dreyling
Mr. R. Galloway
Mr. J. Major
Mr. W. Herberger

Dreyling Ex. 2(B)
7/25/85
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Asbestos Product Sales vs NON-Asbestos Sales

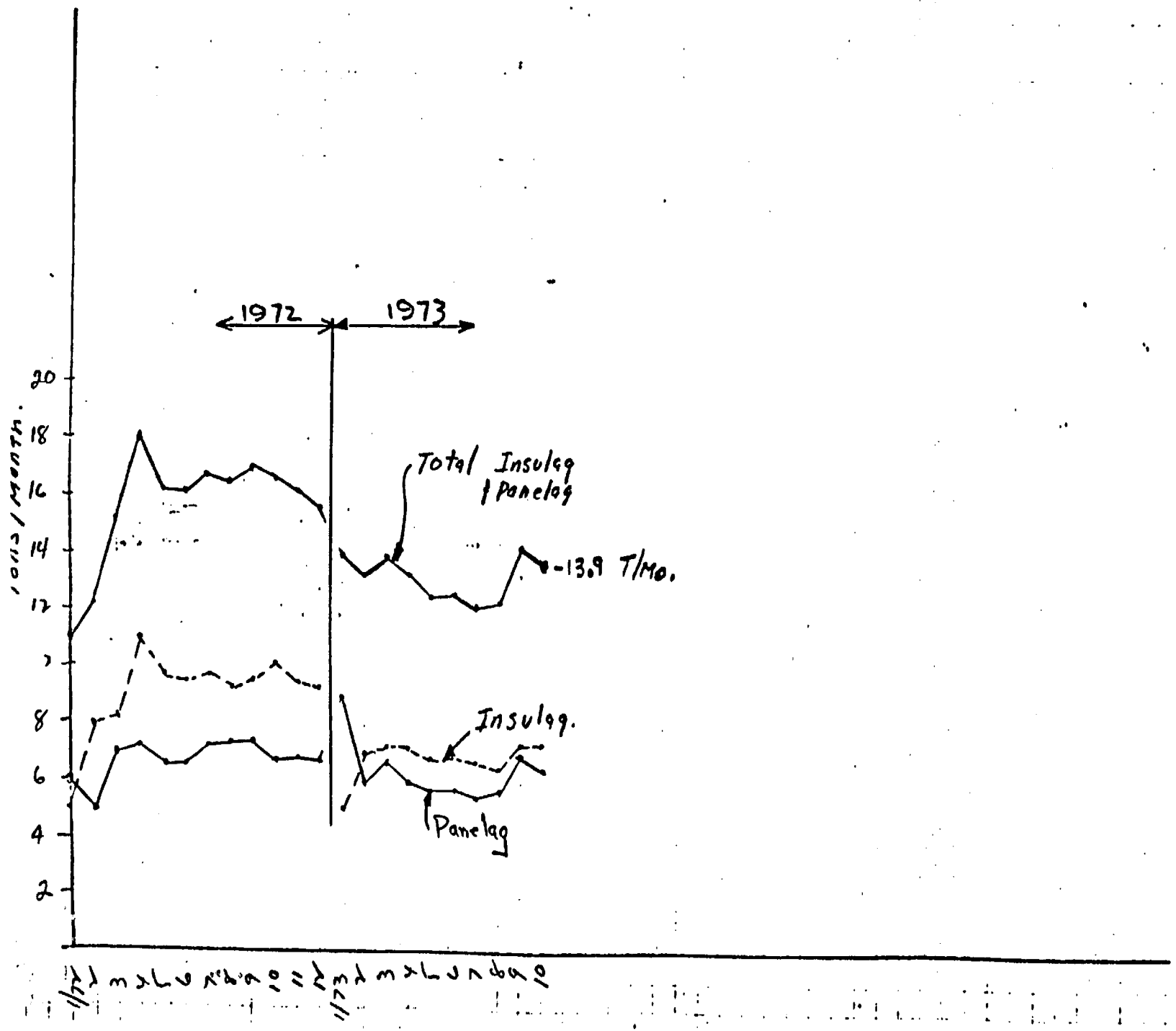
FIG I



Drawing Ex 2(c)
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Accumulated Average Consumption of Asbestos



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