



ASBESTOS INFORMATION ASSOCIATION

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BOARD OF DIRECTORS MEETING

September 21, 1977

Stouffer's National
Center Hotel

Arlington, VA.

Pursuant to notice, a meeting of the Board of Directors was held September 21, 1977, in Stouffer's National Center Hotel, Arlington, Virginia. The meeting was called to order at 9:20 AM.

The following directors were present:

W. H. Beasley
William C. Clark
Thomas A. Dougherty
Dennis E. Eldred
William Fassuliotis
Guy G. Gabrielson, Jr.
Clarence A. Herbst, Sr.
William B. Hoffman
A. R. Hooker
B. J. Iwarsson
J. E. Keith
Donald G. Magill, Jr.
John H. Marsh
Joseph T. Mooney
C. G. Morgan
Dimitry Poutiatine
J. L. Rainey
John Riopelle
Kurt Schwarz
Martin Sendeki (for
N. E. DeCandia)
John Sheridan (for J. M.
Ciskowski)
W. C. Thurber
E. R. Zacharias

Cement Asbestos Products Co.
Asten-Hill, Ltd.
Certain-Teed Corp.
Vermont Asbestos Group
GAF Corporation
Nicolet, Inc.
Resinoid Engineering Corp.
National Gypsum Co.
The Flintkote Co.
Abex Corporation
Rostone Corporation
Hollingsworth & Vose Co.
Raybestos-Manhattan, Inc.
Monsey Products Co.
North American Asbestos Corp.
Johns-Manville Corp.
Amatex Corporation
The Bendix Corporation
Supradur Manufacturing Corp.
Congoleum Corp.

Jim Walter Research Corp.

Union Carbide Corp.
Molded Materials Co.

PLAINTIFF'S
EXHIBIT

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PLAINTIFF'S
EXHIBIT

WV-022461

Also present: Frank M. Brown, Connell Bros. Co., Ltd.;
Robert A. Carlson, Special Asbestos Co., Inc.; James M. Cloney,
GAF Corp.; Gordon Coats, Calaveras Asbestos Corp., Ltd; Gene

CRMC-001798

Connor, Johns-Manville Corp.; Richard H. Rosenberg, Borg-Warner Corp.; Alfred Shaines, P. T. Brake Lining Co., Inc.; A. E. Netter, Supradur Manufacturing Corp.; Harrison B. Rhodes, Ph.D., Union Carbide Corp.; Richard T. Davis, CPA, Frank C. Frantz & Co.; Adrian C. May, Jr., Esq., Cadwalader, Wickersham & Taft; and R. H. Mereness, Mark E. Grayson and B. J. Pigg, AIA/NA staff.

Welcome

Mr. Dougherty welcomed attendees and acknowledged new directors and others present.

Minutes

On motion, minutes of the preceding meeting, June 9, 1977, were approved.

Financial Report

CRMC-001799

In the absence of Mr. Barge, Mr. Davis, Association accountant, reviewed the financial statement for the eight months period ended August 31, 1977. Extraordinary expenses during the year were noted as those for the Equitable Environmental Health, Inc. study of asbestos usage in the construction industry and the legal-medical research program. Billings received through July for the EEH study total \$165,934.13. Total cost of the study under agreed upon guidelines continues at a figure of \$170,000. Payments to EEH in 1976 totaled \$91,343. \$136,000 was budgeted in the current year. A significant net year-end accrual in the Association's financial position is therefore expected for this item, he said. Some positive effect in the year end financial picture will also result from the fact that additional staff did not come on board until July vice May as budgeted. On the negative side Mr. Davis reported expenses in support of the legal-medical research program are estimated to exceed the amount budgeted, \$36,200, by about \$35,000. He reported that the Association is in modest though sound financial position with working capital adequate to meet projected expenditures for the remainder of the year and the possibility of a year end reserve accrual of approximately \$40,000.

Mr. Dougherty said he had asked Mr. Davis to summarize expenditures of the Association since 1974. The summary report

Representatives. He said that he had nothing further to add to the comments of Mr. John McKinney, President, Johns-Manville Corporation, who had included this subject in his remarks to members the previous evening. Mr. Dougherty encouraged attendees to contact Dennis H. Markuson, Esq., J-M Corporation or the office of the bill's primary sponsor, Congresswoman Millicent Fenwick (R-N.J.), for additional information as might be desired concerning the bill. AIA/NA staff is also following the bill, he said.

Remarks of the Executive Director

The Executive Director said since most of the areas normally covered in his report had been addressed by speakers at the afternoon session of the annual meeting program the previous day, in the interest of time, he would make his remarks brief.

Special mention was made of the dedication and efforts of the Standards & Technical Committee. The group is actively contributing to the Association's work and is deserving of recognition and appreciation. He said he was very pleased with the performance of two new staff members and that staff efficiency to conduct the Association's business had thus been substantially enhanced.

A general comment was made in comparison of AIA/NA expenditures to similar organizations, especially in Europe. It was suggested that AIA/NA might be considered conservative in its programs, particularly in the area of public informatic

CRMC-001800

Report of Chairman, Asbestos Regulation Task Force

Mr. Gabrielson said he had nothing of significance to add on activities as regards asbestos standards further to that reported at the previous day's conference. Essentially there has been no change in status regarding CONSAD's and RTI's final technological feasibility and economic impact assessment reports for OSHA since last meeting, June 9, 1977. The studies remain under review. There also continues to be no indication that OSHA is near completion of a proposed asbestos standard for the construction industry. He stated that the EEH study occupies a "hold" position awaiting OSHA actions.

The Association has received no definitive information as to the combining of the hearing process for the manufacturing and construction industry standards or when hearings on the

proposed revision to the asbestos standard, manufacturing, and the construction industry standard may be scheduled. In consideration of normal regulatory procedure, it can be inferred that public hearings on these issues this current year are unlikely.

Legal-Medical Research Program

Mr. Gabrielson said he had nothing to add to the inclusive report of Special Counsel, Wendell B. Alcorn, Jr., at breakfast prior to the directors meeting.

Captive Insurance Program

Mr. Gabrielson referred to the decision reached at directors meeting March 10 that costs of the feasibility study concerning an Association captive insurance company should be borne by participating companies. Fifteen member companies are participating in the study conducted by the firm, Armrisk, Inc. The study is expected to be completed by end year. Additional details will be presented at the December meeting of directors.

International Activities

Mr. Marsh referred to his report of July 26 on the deliberations of the Executive Committee, Asbestos International Association in meeting July 5-6 in London. (Note: Excerpts of the report were mailed to members by AIA/NA memorandum dated August 16.) Mr. Marsh said that the prevailing situation in some European countries appears to be more thoroughly defined in terms of government regulation and medical research as concerns asbestos dust exposure and health. He reviewed recent restrictive government actions in Norway and Ireland.

Mr. Marsh spoke of the work of the Asbestos Information Association with the International Federation of Metal Workers and European Economic Community on matters affecting the asbestos industry and described current activities in the U. K. in medical research on asbestos-health relationships. He said meetings of the international group are important to world wide understanding of asbestos-health issues and asbestos dust control technology.

Scope of AIA/NA Functions and Responses to Government
Initiatives

Mr. Dougherty referred to his letter of September 2, 1977, which gave notice to directors that a resolution to change the Association's bylaws would be presented to resolve the issue of unanimous approval by directors for actions by the Association on federal and state regulatory initiatives. Mr. Dougherty said it was no doubt clear from Mr. McKinney's remarks the previous evening that a principal member of the Association felt that the Association should not act on governmental regulatory issues without unanimous approval of Association's directors. Mr. Dougherty said that as a director he felt a requirement for unanimous rather than majority vote on any substantive issue would reduce the Association's ability to be vigorous and responsive in timely manner. Though the Association has a mission of information gathering, liaison with various agencies and communicating within the industry, it also has a responsibility to develop and articulate industry positions, he said.

Mr. Poutiatine reviewed the history of the Association and the leadership of Johns-Manville Corp. in initially establishing the Association. He said that AIA/NA is unlike asbestos associations in other countries where the industry is represented by a few companies thus permitting ready discussion and resolution of issues. Mr. Poutiatine said that adoption of the unanimous concept would preclude a member company from being included in Association representations in which they might not concur. At the same time, he said, individual companies would be free to respond to initiatives as they choose. Mr. Poutiatine moved that the following resolution be adopted:

"RESOLVED that Section 6.07 of the By-Laws of the Association be amended by adding thereto the following sentence:

Representations on behalf of the Association and its members, concerning proposed legislation or regulatory action, shall be made to branches or agencies of the federal government, the states or other political units only pursuant to the unanimous vote of all the directors then in office casting a vote."

The motion was seconded by Mr. Gabrielson. Mr. Gabrielson said the issue had been a matter of serious concern within the Executive Committee. He stated that he had been unsuccessful in dissuading J-M from pursuing this course of action and line of reasoning as Association procedure but that he felt it was better that the Association represent the industry with limited

power rather than be divisive and perhaps risk disassociation of a major, influential member.

A discussion period followed. Comments on and suggested alternatives regarding the proposed resolution were made by Messrs. Beasley, Eldred, Hooker, Magill, Rosenberg, Sendeki, Sheridan, Thurber and Zacharias.

Mr. Beasley said in view of the significance of the proposal and since the discussion had offered directors a better understanding of the problem, he would move that the resolution be tabled for further consideration as necessary at the next meeting of directors (in December) which would provide members an opportunity to further consider and formulate alternatives as might be appropriate to the issue in question. The motion was seconded and carried by voice vote.

Mr. May said that any proposed resolution to change the Association's ByLaws should be included in notice of the next directors meeting. Mr. Dougherty urged directors to comment on the issue and propose such resolution as deemed applicable, to the Executive Director in time for consideration by the Executive Committee at its meeting, November 15, 1977; the issue then to be resolved at the next meeting of directors.

Other Business

The next regular meeting of directors is scheduled for December 14, 1977, at Stouffer's National Center Hotel, Arlington, Virginia, commencing at 9:00 AM. Further notice will be forwarded.

Adjournment

There being no further business the meeting was adjourned at 11:30 AM.


R. H. Mereness
Executive Director

27 September 1977

RHM:pl

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