PLAINTIFF'S EXHIBIT

CAP-903

Johns-Manville

Internal Correspondence

To: See Distribution List

Date: April 21, 1981

From: S. Wyatt McCallie (2-20) x3129

Copies: File 13-6996

Subject: MASSACHUSETTS ATTORNEY GENERAL - PERCHLOROETHYLENE

On March 4, 1981, our Massachusetts attorney, Charles Schwartz, requested a substantial amount of information from the Massachusetts Attorney General's office regarding vinyl-lined pipe. Attached is a copy of the April 10, 1981 response of the Attorney General's office.

In summary, we have been provided with a listing of cities and towns having vinyl-lined pipe and test summaries for PERC in those lines. However, the most crucial information requested in our letter of March 4 was information on what level of PERC in water constituted a health hazard. The response of the A.G. completely ignores that issue.

The response sets forth two remedial provisions which are considered indispensable to a settlement: 1) Compensation for the costs of testing and for the costs of bleeding, flushing, or other remedial methods to lower the level of TCE to acceptable standards; and 2) Replacement of pipe in a limited number of undefined situations.

We intend to respond to the A.G.'s office with a request for a better copy of the data which it has provided. Once I have a reproducible copy of that data, I will distribute copies to Pipe Division personnel. Second, we are going to suggest to the A.G.'s office that an important first step in the negotiations should be to establish some framework under which we can determine the level of PERC in drinking water which is considered a health hazard.

I will keep everyone advised of the results of those discussions.

/sa