HEALTH & ENVIRONMENTAL AFFAIRS COMMITTEE

The bulk of the Committee's efforts this year have been related to the EPA proposal to prohibit the manufacture, importation, and processing of asbestos in certain products and to phase out the use of asbestos in all other products (including friction materials). This proposal was published in the Federal Register on January 29, 1986. Due to the dramatic effect the implementation of this proposal would have upon the FMSI member companies the Board of Directors asked if an FMSI response to the proposal would be appropriate, reference FMSI Bulletin No. 845 dated February 12, 1986. To address this question the Board of Directors and the Committee Chairmen met on March 11, 1986. In summary form the EPA proposed rule, and three supplementary options, propose the following activities:

PROPOSED RULE

- o Ban A/C pipe, roofing & flooring felts, vinyl-asbestos floor tile, clothing
- o Permit required to use asbestos in other products
- o Reduce consumption annually to zero after 10 years, except under a specific exemption
- o Label all products containing asbestos

OPTION 1

- o Ban construction products and clothing immediately
- o Ban asbestos friction products about 5 years later (consider A/M exemption)
- o Gather additional information on other products
- o Label all products containing asbestos

OPTION 2

- o Ban construction products and clothing immediately
- o Ban asbestos friction products about 5 years later (consider A/M exemption)
- o Ban remaining asbestos products about 10 years later
- o Label all products containing asbestos

OPTION 3

- o Ban construction products and clothing immediately
- o Cover all other products under the phase-down
- o Label all products containing asbestos
- o Permit required to use asbestos

TIMING (ORIGINAL)

- o Comments by April 29, 1986
- o Public Hearings Start May 14, 1986

FMSI--0441

FMSI 02400

TIMING (AMENDED VIA FEDERAL REGISTER ON APRIL 8, 1986)

- o Comments by June 29, 1986
- o Public Hearings Start approximately July 14, 1986
- o EPA proposed final rule to OMB - Sometime in 1987
- o Effective date of new rule - January 1, 1988 (Earliest)

Adoption of the proposed rule is expected to reduce asbestos consumption by forty (40) to fifty (50) percent during the first year. The balance would be phased out completely during the following nine (9) years through a permit system under which the EPA would allocate the right to mine or import specific, but declining, amounts of asbestos each year. With the quantity of available asbestos being reduced annually the marketplace would then be involved in determining which products containing asbestos are most important and also which of such products can be phased out first or produced with substitute materials.

The "permitted" amount of asbestos would be thirty (30) percent of the average base years (apparently 1981, 1982, 1983) volumes during the first year of the phase-down period, declining at a rate of three (3) percent per year until phase-out at the end of the tenth year.

The EPA would permit users to bank allocated asbestos for future use or sale to other permitted users. However, the banked quantity would be arbitrarily reduced by ten (10) percent per year and, at the end of the ten year phase-down period, be reduced to zero.

Finally, the proposed rule calls for the labeling of asbestos containing products not immediately banned. The EPA is particularly interested in comments as to the appropriateness of such a requirement on a product by product basis, the scope of a meaningful label, and the extent to which labeling would help reduce exposure to asbestos.

Complicating the foregoing, the EPA is considering the three (3) options identified herein as alternatives to the proposed rule, and the final rule may well be based on one, or a combination, of these options. The impact of Option 1 and Option 2 on friction products is the same in both cases. Each option would ban the manufacture, importation and processing of asbestos containing friction products five (5) years after promulgation of the rule. While these options do shorten, by five (5) years, the time allowed to completely phase out asbestos from friction products they do permit unlimited use of asbestos containing products for the first five (5) years and eliminate the permit system, which could be an administrative burden. Option 3 impacts the friction products industry in the same manner as does the proposed rule.

After a lengthy discussion of the above issues and their implications it was decided that an FMSI response to the proposed regulation was in order. The response will be consistent with those provided to OSHA in May, 1984 and to the EPA in November, 1984, noting the problems posed by complying in the short term, with an OSHA regulation reducing asbestos dust counts in the workplace and shortly thereafter seeing EPA edict a ban on the use of asbestos. The response is expected to advocate Option 1 or Option 2 as the most

FMSI 02401

viable type of regulation, and not endorse an immediate ban on any friction product. It should discriminate between disc brake pads and drum brake segments in terms of conversion to non-asbestos product difficulties, with segments being much more difficult to convert; and make a strong point regarding the performance and safety issues involved in replacing asbestos containing linings with non-asbestos products in the aftermarket. Based upon Board comments, Messrs. Drislane and Riopelle prepared a draft response to the EPA, which was routed within FMSI for comments, revisions, and approval prior to submission to the EPA.

The other issue of major concern to the FMSI is the OSHA proposal to reduce asbestos dust counts in the workplace. Separate standards will be written for the construction and general industries. One standard will cover all types of asbestos, including crocidolite, and it is expected to be 0.2 fibers/cc permissible exposure limit. However, the use of respirators will be permitted in order to limit worker exposure to 0.2 fibers/cc. The OSHA proposal is now at the OMB for review and subsequent publication in the Federal Register. When this will occur cannot be determined, but the new standard is expected to become law probably six (6) months, perhaps twelve (12) months, after passage. In an apparent effort to ease the impact of the new regulation on asbestos producers and users the law will allow the use of historical data in cases where an OSHA inspector claims non-compliance, and the burden of proof of non-compliance belongs to the OSHA inspector. Also, due to the difficulty in measuring the 0.2 fibers/cc level of dust an alternate counting technique, NIOSH 7400, will be allowed.

Other activities in which the Health and Environmental Affairs Committee participated include:

Bulletin No. 833 of 8-2-85 - Distribution of the EPA pamphlet entitled "Asbestos Waste Management Guidance".

Bulletin No. 838 of 10-15-85 - Distribution of information on OSHA'S Hazard Communications Rules. The implementation of procedures in manufacturing operations whereby each and every employee is advised of, and understands, the hazards of chemicals with which he works and handles such chemicals in the prescribed manner places a heavy responsibility on management. However, this is a responsibility which management must accept in order to assure that its employees are properly protected from injury resulting from ignorance of the properties of chemicals with which they work.

Notice to Officers, Directors, and Health and Environmental Affairs Committee - Covered an EPA request for industry comments on possible amendments to the NESHAPS (National Emission Standard for Hazardous Air Pollutants) regulations for asbestos. The considerations are continuous monitoring of baghouse efficiency and the installation of HEPA (high efficiency particulate air filters) on the exhaust streams.

No suggestions or recommendations for action were received from Officers, Directors or the Committee. Considering the short response time that was suggested for Institute comments, no action was taken.

Bulletin No. 841 of 1-7-86 - Advised the membership of a seminar, sponsored by the Center for Energy and Environmental Management, covering the OSHA Hazard Communication Rules (Reference Bulletin No. 838).

Respectfully submitted,

John A. Riopelle, Chairman

FMSI 02403