PLAINTIFF'S EXHIBIT

KM-494

Johns-Manville
Sales Corporation

P. O. Box 9067
2430 East 223rd Street
Long Beach, Calif. 90810
(213) 775-3451, 834-6471

August 23, 1976

Kelly Moore Paint Co. Inc.
Paco Textures Division
1057 Commercial St.
San Carlos, Ca. 94070

Gentlemen:

In view of recent developments relating to proposed Federal regulations governing the use of Asbestos Fiber, as well as the proliferating number of liability suits associated with asbestos fiber exposure, we consider it essential to issue a "Policy Statement" on behalf of Johns-Manville.

The conditions of our "Policy Statement", as attached, will be incorporated into our sales policies for asbestos fibre.

We will not expect our customers to assume the potential health liability for the asbestos we supply, as other producers are attempting to do. However, in accordance with Clause 3 on Page 2 of our "Policy Statement", we will refuse to sell asbestos to customers who fail to meet applicable governmental regulations on asbests exposure and thereby endanger the health of their employees, and expose J-M to unwarrented liability.

Very truly yours,

W. P. O'Reilly

W. P. O'Reilly
Asbestos Fiber Sales.

ATTACHMENT

KMX 03652

KM 01087

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JOHNS-MANVILLE

POLICY STATEMENT

ON

SALES OF ASBESTOS FIBER

KMX 03653

JOHNS-MANVILLE POLICY STATEMENT ON SALES OF ASBESTOS FIBER WORLDWIDE

Johns-Manville is Canada's largest producer of chrysotile asbestos with a projected production level in 1976 of 720,000 tons at the Jeffrey mine and 80,000 tons at the Advocate mine. Also, J-M is the largest single consumer of asbestos in the U.S. and Canada in the manufacture of asbestos containing products.

In addition, we are expanding our asbestos production in 1976 at Jeffrey mine and allocating additional funds for the purpose of finding and bringing to production new asbestos sources to alleviate the present and expected shortages.

It is apparent, then, that asbestos fiber is of great importance to Johns-Manville, first to supply this essential mineral to industry and second to manufacture products with it internally.

The corporate policy of Johns-Manville on environmental health is stated as follows:

> "It is our Company's policy to equip our plants for the highest degree of personal safety—providing it is technically possible and economically feasible to do so. When technology is not available—or when it is not feasible economically from a competitive standpoint to make these installations—we will elect to discontinue a particular operation rather than knowingly endanger the health or life expectancy of a single employee."

We are convinced that asbestos fiber can be produced and used safely and we are installing equipment and expending funds at our asbestos mines and asbestos-using plants to meet this objective. Further, as asbestos fiber concentrations in the workplace are re-

duced, injuries to employees and resulting damages will eventually diminish.

Based on this preamble, we can state the Johns-Manville sales policy, as follows:

1) We will continue to produce and market asbestos fiber on a worldwide basis, recognizing that we cannot ask our customers to accept liability properly belonging to J-M for health problems resulting from the responsible use of our asbestos fiber.

2) We will continue our efforts to inform, educate and provide information to our customers on the safe use of asbestos in order to facilitate our customers' ability to comply with applicable governmental regulations and safe practices relating to the use of asbestos. We will continue to offer and provide educational material to our customers so that they can inform and educate their employees on the safe use of asbestos.

3) We will reserve the right to refuse to sell asbestos fiber to customers who fail to meet applicable governmental regulations on asbestos exposure and thereby endanger the health of their employees, and expose J-M to unwarranted liability. In countries where there are no governmental regulations on asbestos exposure, accepted industrial hygiene practice shall apply.

4) We will continue our research and development efforts in order to find and implement improvements such as new and improved forms of asbestos, (e.g. blocks and pellets) and better packaging and shipping methods to reduce the possibility of excess exposure to asbestos fiber.

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JOHNS-MANVILLE

POLICY STATEMENT

ON

SALES OF ASBESTOS FIBER

KMX 03656

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