FILE NAME: US Gypsum (USG)

DATE: 1974 Jan 28

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DOCUMENT DESCRIPTION: Memo from AL Hampton re elimination of asbestos fiber from plaster products

PLAINTIFF'S EXHIBIT 3899

F.

TO: #247Q J. R. Hood
#270 W. F. Howe
#247 E. H. Rossell

FROM: #151 A. L. Hampton

SUBJECT: Elimination of Asbestos Fiber from Plaster Products.

January 28, 1974
cc: #151 P. L. Henkels
J. M. Summerfield
K. S. Freeman
#159 E. C. Mobbs
#66 Hagersville - R.C. Nelson
#39 Hillsborough - F.Schooley
#24 Montreal - W. C. Flemming

Since my letter of August 6, 1973 on this subject, the plants and Mr. Hood have been very cooperative in their efforts to comply with our request to eliminate asbestos from all Canadian building plaster products as soon as possible. It was eliminated from all US building plaster products some time ago.

By Hillsborough's request, an Operating Bulletin revision dated 1/9/74, Bull. #53-B5-1, eliminated asbestos from Hillsborough's regular hardwall plaster, thereby eliminating our major volume usage of asbestos in Canada.

Trial jobs of Montreal ORIENTAL Exterior Finish Stucco manufactured without asbestos have been delayed for several months because of strike activity at the plant. It is to be noted that neither job problems nor lack of customer acceptance have been encountered with U.S. ORIENTAL Stucco since elimination of the asbestos, at some plants almost a year ago.

Research evaluation of Hagersville BONDCRETE Plaster with and without asbestos, requested by the plant, has been similarly delayed until the next BONDCRETE production run. For your information, the manufacture of BONDCRETE Plaster in the States was terminated January 1 even though New Brighton's production was sizeable, because of its consistent misuse in the field which left USG potentially subject to large risks. Its use as a bonding coat over rough concrete, for which it is manufactured, has been largely supplanted in the States, by liquid bonding agents of the polyvinyl acetate type.

It has been agreed, by Mr. Hood's report, to terminate AUDICOTE Acousti Plaster production when the use of asbestos is prohibited.

Finalizing the inevitable elimination of asbestos from all CGC products has thus been delayed for various well-justified reasons, not the least of which is an apparent lack of emphasis on this problem by the Canadian government.

To comply with the Company's determination to be free as soon as possible from any potential future liability from asbestos usage, however, I suggest we set a cut-off date, by mutual agreement between Product Management, Operating, Sales and Research, for elimination of asbestos from all CGC building plaster products. I suggest March 15th as a cut-off date.

To get some perspective of the impact immediate elimination of asbestos and termination of AUDICOTE Plaster manufacture would have on profits, we made up the following rough table, based on 1973 - 9 months production and making some assumptions.

Please comment.

A. L. Hampton

ALH:aae