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89TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 1400

AUTHORIZING THE DISPOSAL OF AMOSITE ASBESTOS FROM THE NATIONAL STOCKPILE AND THE SUPPLE- MENTAL STOCKPILE

MARCH 30, 1966.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. PHILBIN, from the Committee on Armed Services, submitted the
following

REPORT

[To accompany H.R. 13590]

The Committee on Armed Services, to whom was referred the bill
(H.R. 13590) to authorize the disposal of amosite asbestos from the
national stockpile and the supplemental stockpile, having considered the
same, report favorably thereon without amendment and recommend
that the bill do pass.

PURPOSE

The legislation would provide congressional approval of the dispo-
sition of approximately 15,170 short tons of amosite asbestos from the
national stockpile and the supplemental stockpile. In addition, the
bill would waive the procedural requirements of section 3 of the Stock
Piling Act, 50 U.S.C. 98b, with respect to publication and transmittal
of notice and the 6-month waiting period. The bill would, however,
preserve the substantive requirements of section 3 with respect to the
protection of the United States against avoidable loss and the pro-
tection of producers, processors, and consumers against avoidable dis-
ruption of their usual markets.

BASIC LAW

National stockpile

Under section 2 of the Strategic and Critical Materials Stock Piling
Act (50 U.S.C. 98a), the Director of the Office of Emergency Planning
is authorized and directed to determine which materials are strategic
and critical under the provisions of the act and the quality and quanti-
ties of such materials which shall be stockpiled under the act.

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Exhibit 'C'

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2 DISPOSAL OF AMOSITE ASBESTOS FROM NATIONAL STOCKPILE

Section 3(c) authorizes General Services Administration, at the direction of the Director of the Office of Emergency Planning, to dispose of any materials held pursuant to the act which are no longer needed because of any revised determination made pursuant to section 2. Notice of any proposed disposal must be published in the Federal Register and transmitted to the Congress and to the Armed Services Committee of each House thereof. The plan and date of disposal must be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of material to be released, and the protection of producers, processors, and consumers against disruption of their usual markets. The express approval of the Congress of any proposed disposal is required unless the revised determination, referred to above, is by reason of obsolescence of the material to be disposed of. Disposals may not begin until 6 months after the date of publication and transmission of the notice of the proposed disposal as outlined above.

Supplemental stockpile

The supplemental stockpile was established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954. That section, as amended (7 U.S.C. 1704(b)), reads as follows:

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies, including principal and interest from loan repayments, which accrue under this subchapter for one or more of the following purposes:

(b) To purchase or contract to purchase, in such amounts as may be specified from time to time in appropriation acts, strategic or other materials for a supplemental United States stockpile of such materials as the President may determine from time to time. Such strategic or other materials acquired under this subsection shall be placed in the above named supplemental stockpile and shall be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act.

(The authority to purchase or contract to purchase materials for the supplemental stockpile with foreign currencies, which includes responsibility for the custody of materials in the supplemental stockpile, has been delegated to the Office of Emergency Planning and redelegated to the Administrator of General Services, Executive Order No. 10900 of January 6, 1961, as amended; DMC V-4, 32A CFR ch. 1.)

DISPOSALS FROM THE NATIONAL STOCKPILE AND SUPPLEMENTAL STOCKPILE

As indicated in the statutes cited above, congressional approval is required for the disposal of materials in both the national stockpile and the supplemental stockpile except in those instances where the proposed disposal action is based on a determination that the material has become obsolescent for use during time of war.

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Since the proposed disposal of this material is not based on obsolescence, the proposed disposal requires the express approval of the Congress.

In addition, the bill would waive the procedural requirements of section 3 of the Stock Piling Act, 50 U.S.C. 93b, with respect to publication and transmittal of notice and the 6-month waiting period. The bill would, however, preserve the substantive requirements of section 3 with respect to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets. Thus, the waiver will permit the immediate disposal of amosite asbestos upon enactment of H.R. 13580.

COMMITTEE HEARINGS

A subcommittee of the Committee on Armed Services conducted hearings on H.R. 13580, authorizing the proposed disposal of approximately 15,170 short tons of amosite asbestos.

The hearing was held on March 22, 1966.

AMOSITE ASBESTOS

Asbestos is a name applied to a group of naturally fibrous minerals. Amosite asbestos is characterized by long, coarse, resilient fibers, which are difficult to spin. It is more resistant to heat than crocidolite or chrysotile. It varies in color from gray and yellow to dark brown with fiber lengths up to 6 inches. The Republic of South Africa is the only commercial source of amosite asbestos.

Amosite asbestos is used in manufacturing woven insulating felt, heat insulation such as pipe covering and marine insulating board. The long fiber amosite is used principally in the manufacture of thermal insulation.

The total inventory of amosite asbestos held by GSA now stands at 55,170 short tons. The present stockpile objective is 40,000 short tons. The excess of 15,170 short tons is covered by H.R. 13580.

The average acquisition cost of the amosite asbestos was \$245 per short ton. The current market price is about \$241 per short ton.

FISCAL DATA

Enactment of this legislation will result in no additional cost to the Federal Government but will result in substantial returns to the Federal Treasury as a consequence of the proceeds of the sale of the amosite asbestos now held in the national stockpile and supplemental stockpile.

DEPARTMENTAL POSITION

The executive branch recommends enactment of H.R. 13580. Set out below is a communication received from the General Services Administration.

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4 DISPOSAL OF AMOSITE ASBESTOS FROM NATIONAL STOCKPILE

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 4, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is forwarded herewith a draft bill to authorize the disposal of amosite asbestos from the national stockpile and the supplemental stockpile.

This proposal is a part of the legislative program of the General Services Administration for 1966.

The proposed bill would authorize the disposal of approximately 15,170 short tons of amosite asbestos from the national stockpile and the supplemental stockpile. The Director of the Office of Emergency Planning has determined that this quantity is excess to stockpile needs.

In addition to providing the approval by the Congress of the proposed disposition, the bill would waive the procedural requirements of section 3 of the Stock Piling Act, 50 U.S.C. 98b, with respect to publication and transmittal of notice and the 6-month waiting period. The bill would, however, preserve the substantive requirements of section 3 with respect to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

A copy of the disposal plan, which provides additional information concerning the proposed disposition, is enclosed.

GSA recommends prompt and favorable consideration of this draft bill.

The enactment of the bill would not require the expenditure of additional Federal funds.

The Bureau of the Budget has advised that there is no objection to the submission of the proposed bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

LAWSON B. KNOTT, Jr.,
Administrator.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill as reported:

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EXISTING LAW

THE BILL AS REPORTED

50 U.S.C. 98b(e)

Section 3(c) of the Act, 50 U.S.C. 98b(e), provides that the Director of the Office of Emergency Planning shall direct the Administrator of General Services to—

“(e) dispose of any materials held pursuant to this Act which are no longer needed because of any revised determination made pursuant to section 2 of this Act, as hereinafter provided. No such disposition shall be made until six months after the publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Armed Services Committee of each House thereof. Such notice shall state the reasons for such revised determination, the amounts of the materials proposed to be released, the plan of disposition proposed to be followed, and the date upon which the material is to become available for sale or transfer. The plan and date of disposition shall be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets: *Provided*, That no material constituting a part of the stockpiles may be disposed of without the express approval of the Congress except where the revised determination is by reason of obsolescence of that material for use in time of war. For the purposes of this paragraph a revised determination is by reason of obsolescence if such determination is on account of (1) deterioration, (2) development or discovery of a new better material or materials, or (3) no further usefulness for use in time

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately fifteen thousand, one hundred and seventy short tons of amosite asbestos now held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)). Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act: *Provided*, That the time and method of disposition shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

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6 DISPOSAL OF AMOSITE ASBESTOS FROM NATIONAL STOCKPILE

SUMMARY OF THE BILL

Purpose

To provide congressional approval of the disposal of 15,170 short tons of amosite asbestos from the national stockpile and the supplemental stockpile.

Justification

The amosite asbestos proposed for disposal is excess of our national stockpile objectives.

Executive branch position

Office of Emergency Planning and GSA urge passage of H.R. 13580.

Fiscal data

Disposal action will enable the Federal Government to convert into cash the proceeds from the sale of the amosite asbestos now held in the national stockpile and supplemental stockpile.

Committee position

Recommend passage without amendment.

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