

TO: Homer M. Cole
FROM: Ronald E. Benton
SUBJECT: Proposal From NWE
DATE: March 3, 1993



I have read the proposal from NWE regarding its recommendation that they be named Reynolds' sole source asbestos "monitor" consultant. As with any consultant there are pros and cons. First the pros. By allowing NWE more responsibility and authority in this area, they may in fact be able to reduce our removal costs by keeping closer track of the entire process beginning with the bid stage. It should also provide for more consistency in the way in which asbestos jobs are performed throughout the company. NWE will also be better able to follow the work practices of the abatement companies and "weed out" the ones that don't meet our qualifications. NWE would also be in a better position to keep abreast of specific state regulations which may be different than the current federal ones. Finally, it would hopefully free up some of my time and that of the plants especially with regard to reviewing specs and making recommendations.

On the negative side. First and foremost is the possibility that this is an example of the proverbial fox guarding the hen house. By having NWE as our sole source provider Reynolds may not be getting the most cost effective service. And with only a few years of experience at several Reynolds' plants, NWE does not fully understand our philosophy regarding asbestos abatement. As a result, NWE recommendations may in some instances be contrary to ours and therefore represent a potential liability. To avoid this problem there will have to be quite a bit of contact with NWE, at least in the beginning, and therefore may not really free up much time for RMC personnel.

Currently, NWE has onsite personnel at Alloys, Hurricane Creek, Troutdale, Sherwin, and Longview. They were removed from McCook by plant management. Generally, I am only brought into a situation if a question arises concerning company policy or there is a difference of opinion. Also, NWE will review all bids to ensure that the proposed work is adequate from a regulatory compliance perspective. Consequently, my time allocated to this area is not burdensome for the most part.

In closing, I would recommend that we not accept NWE's proposal unless there is a change at the plant level which would require more time and input from me (i.e. NWE's services are terminated as a cost cutting measure).

REB

Ronald E. Benton

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RMC0012140

*To: Mac Call
Ron Benton*

REYNOLDS METALS COMPANY CONFERENCE

FEBRUARY 23, 1993

I. About Northwest Envirocon, Inc.

- Sixth year of business
- Six (6) Regional offices
 - Portland, OR
 - Little Rock, AR
 - Sacramento, CA
 - Houston, TX
 - Chicago, IL
 - Muscle Shoals, AL
- Officer of company designated to monitor federal legislation and regulations, and case law, pertaining to the services provided by NWE, and further charged with informing all offices and training personnel in the significant changes
- Asbestos Management Services
 - NESHAPs Inspections (Pre-Renovation, Pre-Demolition)
 - Asbestos Surveys
 - OSHA-type Compliance Audits
 - Operations & Maintenance Programs
 - Contract Documents and Pre-Bid Conferences
 - Project Administration
 - Air Sampling (pre- and post-abatement, personal, area)
 - Bulk Sample Analysis
 - Periodic Reinspections
 - Training - worker, supervisor, O&M, awareness
- Environmental Services
 - Phase I Environmental Assessments
 - Site Characterizations
 - Site Safety and Health Plans, Work Plans
 - Project Administration
 - Monitoring Services - personal and environmental
 - Closure Reports
- Underground Storage Tank Services
 - Limited or full site characterizations
 - Contract Documents and Pre-Bid Conferences
 - Project Administration
 - Closure Sampling
 - Closure Reports

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- Industrial Hygiene Services
 - Air Contaminant Testing
 - Indoor Air Quality
 - Noise Studies
 - Emergency Response Programs
 - HAZWOPER Training
- NWE does not provide the following environmental services:
 - Stack emission testing
 - Wetlands consulting
 - Pollution discharge permitting
 - Nuclear wastes and hazards
 - Laboratory analysis (contracted out)

II. NWE and RMCO

- First P.O. from a Reynolds facility to NWE: 1987
- Blanket Service Agreement since 1989
- Secunding Agreement: February, 1991
- Austerity Program price reductions: May, 1992
- NWE has provided service for the following RMCO facilities:

Troutdale Reduction:

- Asbestos Management Services
- Site Characterization - mercury
- Underground Storage Tank removal services
- Training

Longview Reduction:

- Asbestos Management Services
- Training

Longview Cable:

- Asbestos Management Services

Listerhill Reduction:

- Asbestos Management Services
- Waste Characterization sampling

Sheffield Alloys:

Asbestos Management Services
Noise Study
Air Contaminant Testing
Misc. Industrial Hygiene Tasks

St. Lawrence Reduction:

Asbestos Survey

McCook Sheet and Plate:

Asbestos Management Services
PCB Remediation

Lake Charles Carbon:

Asbestos Management Services

Hurricane Creek Plant:

Asbestos Management Services
Waste Characterization sampling
PCB Remediation

Patterson Reduction:

Asbestos Management Services

Jones Mill:

Asbestos Management Services

Malvern Cable:

Asbestos Management Services

Hot Springs Rolling:

Asbestos Management Services
Air Contaminant Testing *W.H.*

Arkansas Recycling Centers:

Asbestos Surveys

Limestone Mining:

Asbestos Survey

Sherwin Alumina:

Asbestos Management Services
Respiratory Protection Training, Fit Testing]

Alabama Reclamation:

Asbestos Management Services
[Air Contaminant Testing] W44 4/92

III. NWE Accomplishments for RMCO

- Met 90 day negotiated limitation for completion of EPA mandated asbestos survey of Arkansas facilities
- NWE asbestos project administration resulted in a significant improvement in relationship between Arkansas PC&E and RMCO
- Obtained a variance from Arkansas PC&E which resulted in a documented reduction in bid letting from \$1,044,000 to \$415,000 (a savings of \$629,000) on Phase III Projects 5 and 6
- Negotiated an alternative means of disposal on Rust furnaces at McCook that saved approximately \$500,000
- Improved contractor productivity on pot shells 100% at Longview, resulting in 50% cost savings
- Implemented an asbestos Program in August, 1992, at Sherwin that is realizing cost savings of 50%

IV. The Changing Regulatory Environment - Asbestos

- Asbestos NESHAPS Revision; Final Rule
November, 1990 40 CFR Part 61, Subpart M
 - * Inspect facility for asbestos prior to renovation or demolition
 - * Requires inspection by trained personnel
 - * Facility means any institution, commercial, public, industrial ... installation or building
 - * Specific activities requiring inspection:
 - Nonscheduled renovation operation means an operation necessitated by the routine failure of equipment

Planned renovation operation means an operation in which some RACM will be removed within a given period of time and that time can be predicted. Renovation means altering a facility of one or more components in any way. Demolition means wrecking or taking out any load-supporting structural member(s).

* Reclassifies asbestos-containing materials as RACM, Category I and Category II

* Requires emergency plan in the event unexpected RACM is encountered during demolition

* Requires supervision of asbestos removal by trained person

* Provides "point counting" as an alternative analytical technique under certain circumstances

- OSHA Construction Industry Standard for Asbestos May, 1986
29 CFR 1926.58

* Lowered PEL from 2.0 to 0.2

* Applies to all construction activities, including:

demolition or salvage where asbestos is present

removal of ACM

construction, alteration, repair, maintenance or renovation of structures or portions thereof that contain asbestos

asbestos spill/emergency cleanup

transportation, disposal, storage or containment of asbestos,

regardless whether these activities are performed by contractor personnel, plant personnel, contracted maintenance services

- * Requires asbestos (Operations &) Maintenance Program at every location where the employer avails itself of small-scale short-duration exemptions from negative-pressure enclosures
- OSHA Standards for Asbestos - Construction and General Industry, Proposed Rules (Written comments closed 1/4/93)
 - * Considering lowering the PEL to 0.1
 - * "...knowledge of the location, condition, and hazard potential of ACM is a rational predicate to employee protection."
 - * "...certain high risk materials in accessible building/facility (emphasis added) be designated presumed asbestos-containing materials (PACM), and thus be treated as if they contained asbestos..." unless testing provides empirical evidence that indicates otherwise
 - * "OSHA believes the major advantages of such a regulatory approach is that the materials and buildings/facilities with the greatest risk potential would be automatically targeted for mandatory communication and control procedures, and possibly testing."
- Asbestos School Hazard Abatement Reauthorization Act of 1989 (ASHARA), Public Law 101-637
 - * Extends AHERA (asbestos in schools) to inspectors, contractors and workers involved in asbestos removals in public and commercial buildings
 - * Asbestos inspections must be performed by accredited inspectors
 - * Asbestos response actions must be designed by accredited designers
- Various state laws resulting from Asbestos NESHAPS and ASHARA

V. NWE Concerns

1. Where the appropriate response is to manage asbestos in-place, O&M Programs, hazard communication and training of affected employees, and periodic re-inspections may not have been implemented.

2. Inspections for asbestos must be performed prior to demolition and renovation, and EPA's definition of renovation is so broad as to cover maintenance. Some RMCO facilities may be relying on very old, limited data, or on no data at all.

3. During demolition operations, there may not be an asbestos emergency plan in place with a trained asbestos monitor on-site at all times.

4. OSHA expects to implement revisions to 1910.1001 and 1926.58 Asbestos Standards by first quarter 1993, which will effectively require inspections by trained personnel to identify PACM or to conduct asbestos testing. With RMCO staffing levels, compliance may require outside assistance.

5. Where NWE is the "Monitor" as defined in RMCO Asbestos Procedures dated 5/9/90, our duties vary from plant to plant and we are at times held accountable for more than is described within the Procedure with no parallel increase in authority.

6. NWE can effectively mitigate asbestos abatement costs when we have the authority; in other instances, we neither conduct Pre-Bid conferences nor review bids.

VI. NWE Recommendation

We recommend NWE be named RMCO company-wide asbestos consultant; one Project Manager will be designated, one telephone number distributed to all RMCO facilities. All questions regarding asbestos are to be directed to this Project Manager.

The Project Manager will advise the RMCO facility representative as to the applicability of current law and regulation. If a recommendation is made to inspect the facility, a written request will be directed to RMCO, Richmond, identifying the facts as understood of the case and the justification for travel. NWE shall always perform the initial inspection.

NWE shall submit a budget for additional consultant and contractor services after the initial inspection. Where it is more cost effective, NWE shall assist RMCO in soliciting proposals for RMCO review for local "Monitor" consultants where additional work is required, shall specify the duties of the "Monitor," and shall review the work provided. NWE shall perform these services where it is deemed critical.

To encourage cooperation and compliance, the cost of the initial inspection shall be borne by RMCO corporate. Additional expenses are to be borne by the plant/facility.

NWE shall develop, in conjunction with RMCO corporate personnel, the policy level elements of an Operations and Maintenance Program. Where needed and where indicated, the O&M Program will then be amended to reflect state law and regulation, and local conditions of ACM, then implemented at the plant/facility level by NWE. Periodic inspections and O&M training shall be conducted by NWE.

VII. NWE Services in Addition to Asbestos Management

NWE would additionally like to assist RMCO in underground tank management, air contaminant testing, lead based paint management (including abatement and monitoring), and other environmental concerns.

memo from:
Homer M. Cole

To John Amos

Ron reviewed NWE's
proposal. His comments
are included in the
attached.

Mac

Original proposal enclosed -
we did not copy -

REYNOLDS METALS COMPANY
RICHMOND, VIRGINIA 23261

804/281-3506



TX Tiner
RMC0012149