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with Cover Letter

GENERAL ELECTRIC

PLASTICS BUSINESS DIVISION

July 18, 1978

ONE PLASTICS AVENUE
PITTSFIELD, MASS. 01201

**D I A L
C O M M**

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News Story - Asbestos - Free Genal

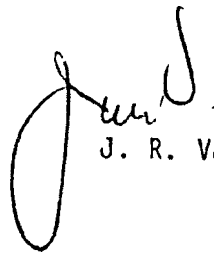
Lanning prepared the attached story as a result of HEW's new push on asbestos use.

It is the kind of business reporting that I am encouraging him to do, but this is a story which may have some potential negatives with some readers. Our employees are aware of the problem, but it could remind them of the exposure; the Eagle could pick it up as a timely piece to amplify; the Group may not want this highlighted, etc.

There obviously is some positive mileage to us "doing right voluntarily," but do we want to campaign on this action to support marketing communication.

I would appreciate your review and comments at your earliest convenience.

JRV:mbs
Enclosure


J. R. Valenteen


done
7/19/78

JUL 19 1978

DRAFT

GE NEWS 5/19/78

HEADLINE: HEW, Customer Praise GE Plastics
for Getting Asbestos out of GENAL Phenolic

TEXT:

When Health, Education, and Welfare (HEW) Secretary Joseph Califano recently announced his department's stepped-up attack on asbestos as a major industrial health hazard, it undoubtedly sparked more than a ripple of concern among business leaders nationwide. But, at the Plastics Division's GENAL product section headquarters here, the HEW push comes as welcome news. The government's emphasis on ridding the American workplace of asbestos mirrors an identical commitment made by GENAL people -- six years ago.

Phenolic plastic has been manufactured by GE people here for half a century. The trade name for our product is GENAL. Most people would recognize it in one of its many end-use applications, such as the handles and feet on GE skillets, or the distributor cap in your automobile. There are more than a hundred different types of GENAL. Out of that product mix, about two dozen used to be made with asbestos fiber filler which added heat resistance and strength to the material.

In 1972, prior to any Federal regulations pertaining to asbestos in industry, GE Plastics made what has turned out to be a pioneering decision in the phenolic plastics business: get the asbestos out of GENAL entirely.

BEATS THE COMPETITION

"We were way ahead of our competition in making that decision," says Barry Perry, GENAL Marketing Manager. "Our nearest competitors didn't

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start working on getting the asbestos out until about two years later. By then, we were already there with new, non-asbestos grades of GENAL that were finding increasing acceptance among our customers and end users."

Making the change wasn't easy, however. Getting rid of the asbestos meant a lot more than just putting something else in its place. It was changes in chemistry. Whole new formulas were necessary to replace the time-proven asbestos-filled products. "We had to get back the properties we gave up with the asbestos. The key was to find the right balance between moldability for the manufacturers, and product performance for the end users," according to Perry. "Thanks to our early lead, we've found that balance. We've made a hundred million pounds of asbestos-free GENAL; our competitors don't have nearly that much experience."

GENAL CUSTOMER DEMAND INCREASING

With ten other manufacturers in the phenolic plastic business, competition is keen. GE Plastics is constantly looking for ways to gain an edge on that competition, and being asbestos-free is becoming a more significant factor. "In the last year, our market share has gone up a full percentage point," Perry smiles. "That's a healthy increase in this business. It's hard to say just how much of that increase is because we're asbestos-free, but, I do know that more and more manufacturers want to rid their shops of asbestos. When they can't get a consistent quality non-asbestos material from one of our competitors, we find they're coming to us."

One of GENAL's biggest customers is GE's own Housewares and Audio Business Division. In Asheboro, North Carolina, where more than half-a-

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million pounds of GENAL is molded into various GE housewares annually, mold room manager Harry Gross says, "We're not allowed to use any asbestos anywhere in the plant. GENAL is one of the very few products on the market that can give us what we're looking for. We don't have to worry about OSHA (Occupational Safety and Health Administration) and we know we're providing a safe environment for our people."

Gross goes on to point out that GENAL's performance is another key reason it won out over the competition in Asheboro. "We've been running it with great success for five years," he says. "We start up several new products here annually and are always coming up with new applications. We've found no one more flexible in working with us to meet our changing needs than the people from GENAL. In fact, I think it's safe to say that we might not be in business on some of our products if it weren't for GENAL."

CUSTOMER INFORMATION A KEY CONCERN

Right now, GENAL marketing people are working on a program aimed at keeping current and potential customers better informed. As Perry explains, "We want the molders and the end users of phenolic plastics to know about pending legislation regarding asbestos in the workplace. Once we've helped them understand the Federal regulations and the employee health issues, we can make them aware of the GENAL grades they can select to replace asbestos-containing compounds."

GE Plastics' original move to rid GENAL of asbestos, as well as the planned informational program for customers, has drawn support this week from HEW officials in Washington. "The team working on the asbestos project is pleased to hear of your efforts," an HEW spokesperson told

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the GE NEWS. "Department health officials support efforts that GE and other companies are making to protect. . .workers from exposure to asbestos."

A MORE ATTRACTIVE ALTERNATIVE

As the HEW push takes hold, and awareness about asbestos and its hazards grows, phenolic plastic compounds free of the fiber are expected to become more and more popular with U.S. manufacturers. Only three of GE's ten phenolic competitors offer asbestos-free compounds at all, and even they are still manufacturing asbestos-filled material.

"Our wealth of experience over the past six years has led to asbestos-free GENAL of very high quality and consistency," Perry observes. "Back that up with technical support that I don't believe any of our competitors can touch, and you have a very promising market position for GENAL today."

And, so, a six-year-old decision finally comes of age. As the Federal government takes steps to protect American workers from asbestos, GE Plastics is already there, doing its part to help its own employees and all of industry with asbestos-free GENAL. That's leadership, and in the very best sense, a testimonial to what "Progress for People" really means at General Electric.

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PHOTO: Compound operators bag GENAL

CAPTION:

NO ASBESTOS HERE, and there hasn't been since 1972. Compound operators Fred Filip, left, and Aldo Liccardi bag up GENAL, GE Plastics' brand of asbestos-free phenolic compound. We led the industry in ridding this

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type of product of asbestos, an action which may now spell better market position for GENAL as American businesses feel increased Federal pressure to get asbestos out of their manufacturing plants.

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APPROVALS:

Marcel Joseph

Date

Barry Perry

Date

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APPROVAL REQUESTED BY: May 15, 1978