



PLAINTIFF'S EXHIBIT

FD-1640

Inter Office

Car Engineering

October 6, 1980

To: Mr. J. P. Bernard Mr. N. W. Ressler
 Mr. A. G. Folger Mr. V. W. Sussman
 Mr. S. Gratch Mr. C. F. Talbot
 Mr. P. E. Toth

Subject: 1981 Advanced Budget - Toxic/Hazardous Group

Attached is a draft of the Toxic/Hazardous Report to the Advanced Review Committee. These projects were prioritized by the Toxic Substance Advisory Group on September 24.

Our plan is to present this report as a "walk-on" item to the Corporate Hazardous Control Committee on October 10. As in past years, the final report will be incorporated into the Components Methodology Presentation to the Advanced Review Committee on October 20, 1980.

We would appreciate your comments by close of business Wednesday, October 8, for inclusion into the final report.


G. F. Bolling

FC/ksl

Attachment

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ADVANCED REVIEW COMMITTEE
TOXIC SUBSTANCES PROJECT REPORT
OCTOBER, 1980

The toxic substance projects of the 1981 Advanced Budget have been separately highlighted from the Components/Methodology/SDN Subcommittee. An examination was conducted by an AD HOC Toxic Substance Committee. 1/ This paper presents the resulting prioritization.

Background

Since the 1978 Advanced Budget, toxic substance projects have been reviewed by the AD HOC Toxic Substance Committee to assure that the Company's needs in this area were recognized and met. The Committee has acted as a catalyst in surfacing issues and recommending resolutions in areas such as freon detection, the Company's response mechanism to fluorocarbons regulatory pressures and plastic filler development to replace lead solder.

Assessment

The same procedure developed in past years was used again. The AD HOC Committee was made up from Company areas informed about and concerned with toxic substances. Needs and responses were critically discussed. This approach has resulted in the following preliminary projects totals for the 1981 proposed budget:

Summary of Rankings (At Incurred Economics)				
Priority	1978 Approved \$(000)	1979 Approved \$(000)	1980 Approved \$(000)	1981 (Proposed) \$(000)
1	\$ 114.0	\$ 572.6	\$ 493.3	\$ 485.1
2	1203.3	701.7	764.2	782.0
3	273.3	482.6	-0-	-0-
TOTAL:	\$1590.6	\$1756.9	\$1257.5	\$1267.1

- . The total is preliminary since the Committee expressed a concern that a BEPE project for developing alternate air bag generators was not included for 1981. BEPE has agreed to submit a 1981 Advanced Engineering project prior to the November E&RS meeting to support this effort.
- . Other than this question, the proposed 1981 Toxic Substances Advanced Budget is essentially at carryover level and is considered to be the minimum level necessary to meet projected Corporate needs. There are no Priority III projects.
- . A general concern was, however, restated from last year. There is still a need to investigate some potential risks before regulations are proposed so as to have factual input into possible regulations and to be ready to act promptly on any new regulations. The environmental conditions for model workers were cited as an example for potential regulatory action.
- . A Corporate Hazardous Substance Control Committee has recently been formed. The Committee's intent is to focus attention on toxic substances control issues to ensure that the Company's future needs are met. It is probable that no AD HOC group will be needed in future years since the new Corporate Committee encompasses all activities involved with toxic substances control.

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Exhibit I gives details for the projects examined and Exhibit II gives the spending for toxic substances by division.

Recommendation

The AD HOC Committee recommends approval of all listed projects and due consideration of the forthcoming BEPE submission. It should be noted that none of this year's projects were rated less than "highly desirable".

1/ Members: J. P. Bernard, G. F. Bolling, A. G. Folger,
S. Gratch, N. W. Ressler, V. W. Sussman, C. F. Talbot,
P. E. Toth

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PRIORITY RANKING
1981 PROPOSED TOXIC SUBSTANCE PROJECTS

<u>Project Title</u>	<u>Project No.</u>	<u>Location Code</u>	<u>Present Proposed Budget</u> \$(000)
<u>Priority I</u>			
Asbestos-Free Brake Lining	CZA014	PPE-C	\$ 175.0
Friction Materials and Systems	R6120	Res	<u>310.1</u>
Total (Priority I)			\$ 485.1
<u>Priority II</u>			
Reduced A/C R-12 Leakage and Charge	CCDA12	CCD	25.0
Chlorofluorocarbon Regulatory Matters	AA124	VDT	28.0
R-12 Reduced Leakage/Charge	FAFO6	CCD	261.0
Alternate Fluorocarbons	FAFO9	CCD	193.0
Lead Solder Replacement	BRO4G	BEPE	54.0
Toxic Substances	R7660	Res	<u>221.0</u>
Total (Priority II)			\$ 782.0
Total (Priority III)			-0-
Toxic Substances Total			\$1267.1
MEMO: Proposed 1980 Total			\$1320.2

October, 1980

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ADVANCED BUDGET: TOXIC SUBSTANCES
(BREAKDOWN BY DIVISION SPENDING)

	<u>1980 Approved Funding Level^{a/} \$(000)</u>	<u>1981 Proposed Funding Level^{b/} \$(000)</u>
Research	\$ 575.5	\$ 531.1
PCPM	152.0	175.0
NEPA	100.0	54.0
CCD	402.0	479.0
VDT	<u>28.0</u>	<u>28.0</u>
TOTAL	<u>\$1257.5</u>	<u>\$1267.1</u>

a/ January 1980 Economics.

b/ September 1980 Economics.

October, 1980

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