PLAINTIFF'S
EXHIBIT
GF-989

RESEARCH TRIANGLE INSTITUTE
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RESEARCH TRIANGLE PARK, NORTH CAROLINA 27709

ENERGY AND ENVIRONMENTAL RESEARCH DIVISION

January 14, 1980

Ray L. Heidt
Sales Representative
GAF Corporation
140 East 16th Street
P.O. Box 1151
Erie, PA 16512

Dear Mr. Heidt:

The Research Triangle Institute is currently engaged in a study sponsored by the Environmental Protection Agency that concerns the use of asbestos in the United States. The purpose of RTI's part of the study is to investigate and report to EPA the potential economic impact of new controls on production and use of asbestos-containing products that EPA may propose under the authority of the Toxic Substance Control Act of 1976.

Some of the questions the RTI study will address concern the potential changes in industry economic variables such as employment, output, profitability, prices, wages, and capital investment that may occur as a result of the proposed regualtions. Effects on primary producers, user industries, and the overall economy will be studied.

Work on this study has been underway since late July 1979. Indeed, it is likely that your firm has been contacted by telephone or in writing by a member of the RTI staff at some time in the past concerning this project. However, the most impressive finding to date has been the lack of a consistent, substantive, and accurate data base concerning economic magnitudes and flows associated with the economic activity of the industry. This is the problem to which the remainder of this letter is addressed.

As an independent research institute, RTI's only interest is to produce an accurate report. Because the information and data required to accomplish this are not available in the public record, it is necessary to gather data directly from firms in the industry. If data cannot be so gathered, the study then becomes an exercise in conjecture. I should emphasize that we are not interested in data pertaining to any particular firm. We are interested in data associated with groups of firms producing particular products or data associated with the entire industry. Toward this end we are requesting your assistance in providing information and data detailed below. Similar requests are being made of other firms in the industry.

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I am aware that some of the data requested may be considered proprietary and confidential. However, I can assure you that none of the information provided will be divulged directly or used in a form identifiable with a particular firm or plant. Further, the information would remain with RTI,and thus, not be subject to the freedom of information requirements imposed on government. We are intersted in constructing industry aggregates. This may be done either by combining data pertaining to individual firms or plants, or by directly estimating the industry magnitude.

If you are unable or unwilling to provide information pertaining to your own operation, perhaps you would be able to estimate the information requested for the whole set of firms involved. For instance, if the value of sales of a particular product by your firm is considered too confidential to divulge, you might be able to supply RTI with an estimate of the industry value of sales of this product simply by dividing your own sales figure by your own estimated market share. In this way, you could greatly assist us without divulging either your own sales volume or your own market share.

I cannot stress too much how important we believe it is to obtain accurate data on which to base the RTI study. We do not want to underestimate the economic impact of any regulations EPA may impose on the industry. However, without credible data, we have no way to consciously avoid either overestimation or underestimation of potential impacts due to new government controls.

You will find enclosed a set of forms requesting specific economic information and data associated with several asbestos-containing products, some of which your firm produces. As stated earlier, we are seeking data for industry aggregates, not for individual firms or plants. Information provided should be for the industry or that part of the industry that produces the particular product. If you cannot estimate the industry magnitude, but you are willing to provide data pertaining to your own operation, please do so, indicating that the data are not for the entire industry.

I understand that what we are seeking is not costless to your firm to provide. Nonetheless, I cannot imagine how an accurate report can be prepared without the requested information.

If I may further clarify our request or provide any additional information to you concerning the RTI study, please call me at 919-541-5806. Because your preparation of the requested information will take some time, I would greatly appreciate an early response from you indicating whether or not you can help us with this data.

I thank you for your consideration and assistance.

Sincerely yours,

David L. Kendall

David L. Kendall
Economist

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