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After discussing with Hugh Jackson and Cliff Sheckler on 5/2/6. I also sent Mr. Ruddy copy of the NIMA booklets, copy of the new tentative standards proposed by the ACGIH and copy of <sup>sent</sup> by Dr. Stokinger concerning these standards.

202-338-112

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May 1, 1969

Mr. Ned Ruddy  
Executive Secretary  
Shipbuilders Council  
1730 K. Street, N. W.  
Washington, D. C.

Dear Ned:

Many thanks for contacting Johns-Manville, through Hill & Knowlton, with regard to the effect of the Walsh-Healy Act upon your industry, with particular regard to the Threshold Limit Values pertaining to asbestos fiber.

As I mentioned, we recently prepared and gave to the Department of Commerce some background material on the various research programs in the area of asbestos and human health that are being sponsored or co-sponsored by Johns-Manville. I am attaching a copy of this material for your use in your discussion with the Labor Department on Monday.

As we agreed on the phone, it is going to take time to develop the necessary techniques and equipment to provide maximum protection to workers who handle and apply asbestos-containing products in the field. The Insulation Industry Hygiene Research Program, described in the attached green six-page report represents, we feel, the proper approach to this problem. Embracing, as it does, science, industry and labor this research program represents a voluntary approach as contrasted to governmental regulation.

If, after reading the attached, you have additional questions, please give me a call.

Sincerely,

W. P. Raines  
Director of Public Relations

wpr/eb  
att.

April 11, 1969

JOHNS-MANVILLE COMMENTS FOR DEPARTMENT OF COMMERCE  
RE HR 2503: "A bill to promote the safety of workers engaged in making asbestos products for shipment in commerce, and for other purposes."

#### GENERAL

Johns-Manville Corporation and the asbestos industry in general support the objectives of this measure -- "to promote the safety of workers engaged in making asbestos products" -- and are vigorously pursuing programs of health and safety protection in asbestos plants as well as among fabricators and applicators of certain asbestos products.

It should be made clear that the manufacturing, installing, handling and selling of asbestos-containing products per se constitutes no health hazard. However, the industry recognizes, and has long been controlling, occupational conditions where excessive dusts from asbestos may constitute a health hazard for workers exposed to these dusts over extensive periods of time. The manufacturers observe strict health safety practices under such conditions and also actively cooperate with their applicators and fabricators in promoting health safety practices in the use of asbestos products under conditions where dusts might be generated.

#### SPECIFIC COMMENTS ON PROPOSAL

1. A special bill dealing only with the asbestos industry would be unnecessary, undesirable and duplicative. Congress has before it legislation that would establish federal administrative machinery

for health and safety protection applying to all U.S. industry. HR 3809, the Occupational Safety and Health Act of 1969, is one of several such measures before the House and Senate Labor Committees. These bills would vest authority, in the Department of Labor working with the Department of Health, Education and Welfare. These proposals spell out in some detail the limitations of authority, the methods for setting safety and health standards, and the responsibilities of industry, labor and established standard-setting agencies for cooperating with the federal agencies.

HR 2503 relating only to asbestos would vest all authority in the Department of Health, Education and Welfare, including inspection authority, which would, in effect, duplicate the existing and proposed responsibilities of the Department of Labor.

2. HR 2503 is too broad and non-specific in its provisions. As presently written, its provisions would appear to apply to many small retailers who merchandise such products as roofing, floor tiling, wallboard, or ceiling tile which contain asbestos bonded with other materials, such as cement or plastics. Such items do not constitute a health hazard and yet the provisions of the bill would seem to encompass them.

3. The standard-setting authority that would be granted to the Secretary of Health, Education and Welfare does not provide for orderly consultation with established standard-setting organizations

or with industry (as is generally recognized as desirable in other Occupational Safety and Health proposals). The fact is that standards for occupational levels of asbestos dusts (Threshold Limit Value) were re-examined and modified in 1968 by the American Conference of Governmental Industrial Hygienists, representing federal, state and municipal governments. These standards are accepted by industry as well as federal and state safety and health officials for enforcing federal and state laws respecting occupational safety and health.

#### CONCLUSIONS

If Congress decides that legislation should be enacted establishing a federal Occupational Safety and Health Program, the asbestos industry, along with other industries, would be subject to such an Act. This would be the more orderly and acceptable method of procedure -- legislatively, administratively, and from the industry standpoint. A separate act relating only to the asbestos industry is unnecessary and undesirable.

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(For industry health and safety practices, see attachments.)

ATTACHMENT NO. 1ASBESTOS INDUSTRY'S HEALTH AND SAFETY PROGRAMS

The asbestos industry expresses its concern for workers' health and safety through the effective medical industrial hygiene and safety programs of individual companies and of industry associations.

The Johns-Manville Corporation has instituted in all its plants uniform industrial hygiene standards maintained through a central Department of Environmental Control. The company has installed and continually improves and updates all types of equipment and techniques for controlling dust and fumes. A reprint of an article from INDUSTRIAL MEDICINE AND SURGERY, March, 1968, describes the Johns-Manville Environmental Control Department. (See Attachment No. 2) The company's approach to dust control and elimination of all possible health hazards is embodied in an official policy statement:

"In cooperation and in conjunction with other agencies, Johns-Manville will continue to seek new information about the biological effects of asbestos fiber and to develop ways of assuring maximum possible protection from occupational hazards, for its employees in asbestos mines, mills and plants and among fabricators and applicators of this essential material."

Public Health Service report: "Asbestos and Health"

More .....

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In keeping with this policy, Johns-Manville is currently sponsoring, co-sponsoring, or is cooperating in a number of research programs in the area of asbestos and human health. Typical of these research projects are the following:

1. INSULATION INDUSTRY HYGIENE RESEARCH PROGRAM

This program is the nation's first cooperative effort by an international labor union, industry and science, consulting with government, to undertake a health research program for industrial workers. The Insulation Industry Hygiene Research Program is jointly financed by the International Association of Heat and Frost Insulators and Asbestos Workers and Johns-Manville, along with the Sprayed Mineral Fibers Manufacturers Association. This program is designed: (1) to develop improved methods for minimizing exposure of insulation workers to dusts and fumes encountered in their work; (2) to disseminate knowledge of these improved methods of dust control wherever they may be applied advantageously; and (3) to offer cooperation, advice and assistance toward their universal adoption. The Program Director and Chairman is Dr. Irving J. Selikoff, Director of the Environmental Sciences Laboratory, Mount Sinai School of Medicine, New York, and President of the New York Academy of Sciences. The U. S. Public Health Service regards this joint voluntary effort as a pilot program which it hopes to see adopted

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by other industries. The PHS is providing consultation and technical assistance through its Bureau of Occupational Safety and Health. (See Attachment No. 3)

2. ASBESTOS INDUSTRY STUDY

This is a 7 to 10 year environmental, clinical and epidemiological study of workers exposed to asbestos which is being conducted by the Division of Occupational Health of the United States Public Health Service, with the cooperation of the asbestos industry. The purpose of the study is (1) to obtain information on the health effects of exposure to the major types of asbestos used in the United States -- chrysotile, crocidolite and amosite, (2) to develop criteria for safe exposure levels, and (3) to establish medical and environmental criteria for surveillance where asbestos is encountered or used. More than 20,000 asbestos workers throughout the country are being included in the study.

3. EPIDEMIOLOGICAL STUDY OF THE CANADIAN GENERAL POPULATION

This is a study being conducted by the Institute of Occupational and Environmental Health under the directorship of Dr. Corbett MacDonald, Chairman of the Department of Epidemiological Medicine at McGill University in Montreal. The purpose of this study is to examine the relationship between asbestos exposure and causes of disease or

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death among several thousand workers in the asbestos producing regions of Quebec.

4. FIBROUS DUST STUDY

This program, being undertaken by the Industrial Hygiene Foundation of America, is an investigation of the factors involved in the pathogenicity of asbestos dust and of the true nature of ferruginous bodies (often misleadingly called "asbestos bodies"). Animal experiments are being used in this study. The findings of this program will be the basis for identifying asbestos health hazards in industry and for suggesting specific engineering or other process controls to eliminate such hazards.

These and other health research programs are being supported, in addition to Johns-Manville, by other asbestos miners and manufacturer and by associations such as the Quebec Asbestos Mining Association and the Asbestos Textile Institute.

Other types of programs, in addition to health research, being sponsored by industry groups include the distribution of two handbooks, "Recommended Health Safety Practices" for the use of asbestos and other mineral fibers, to guide contractors and workers in the insulation industry. These booklets are distributed by the Committee on Safety and Health of the National Insulation Manufacturers Association,

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which also conducts an intensive health safety information program for contractors.

A similar information program is being set up by another industry association, the Asbestos Cement Products Association.

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## Control of Worker Environment Unified in All Johns-Manville Plants

**I**NCREASED REALIZATION that today's problems cannot be tackled piecemeal is being reflected in industry's changing approach to employee health, safety, air and water quality control and product toxicology.

Traditionally, the larger the company, the more people were involved in these questions, and chances are they were not always in close contact with each other on problems of mutual concern.

For many, this is no longer the case. Greater understanding is bringing a heightened sense of immediacy to these questions and the business community recognizes that environmental problems must be viewed broadly.

One major company leading the way for industry which illustrates this trend distinctly is Johns-Manville. It has been one of the first to adopt a "total approach" and build an organization of trained people to handle it. The company's management established a new Department of Environmental Control, picked a top engineer to head it and pulled several interrelated responsibilities together under his direction.

Edmund M. Fenner, the department's director, is a mechanical engineer by training; he started with the company 27 years ago in design work and has held a variety of engineering positions. Just prior to assuming his new post, he was a Project Manager in Plant Engineering. He reports to the company's Vice President for Research, Development and Engineering, Arthur C. Smith. Every 90 days, Fenner and Smith give the company's president, Clinton B. Burnett, and his staff a detailed briefing on environmental control activities, backed up by a carefully documented written report. Since Smith is also a member of the company's board of directors, environmental control is assured a voice when necessary at the highest policy level.

### Department Has Catalytic Function

As Fenner explains, his department does not solve problems for others: they find the problems, report them and establish the level of the solutions required. Of course, they necessarily work closely with J-M's engineering, industrial relations, production and legal staffs.

"We're expeditors," he adds, "in the sense that we provide a catalyst to keep things moving." The department is also the first single function that looks at the overall picture, covering 12 operating divisions and some 60 plants and mines, and gives top management periodic summaries.

Environmental control functions in several ways, one of the most important being its responsibility for the environment of workers. This is the responsibility of Clifford L. Sheckler, a 30-



PLANNING TRIO . . . Reviewing proposed installation are key members of Johns-Manville's new Environmental Control Department; left to right: Clifford L. Sheckler, Manager of Occupational Environmental Control; Edmund M. Fenner, Director of the department; and James M. Siegfried, Chief of Community Environmental Control.

year veteran with the company who reports to Fenner.

Sheckler heads a staff of ten, consisting of nine industrial hygienists and a supervisor, and, as Manager of Occupational Environmental Control, also approves safety equipment used in the company's plants.

The industrial hygienists are based at four separate locations where the company maintains industrial hygiene labs: Manville, N.J., Waukegan, Ill., and Lompoc, Calif., covering the eastern, central and western regions of the U.S., and Asbestos, Quebec, covering Canadian operations.

Fenner, Sheckler and James M. Siegfried, the third key member of the department, are headquartered at the company's Research and Engineering Center, largest of its type in the world, near Finderne, N.J. Until he assumed his new position as Manager of Community Environmental Control, Siegfried, whose background includes a degree in geology, chemistry and physics, had spent almost a year on special assignment involving liaison with Federal, state and local agencies concerned with air and water pollution.

#### Each Plant Checked Annually

Johns-Manville's industrial hygienists are primarily concerned with surveying and monitoring internal conditions. They check each of the company's plants and mines at least annually, using special equipment, some developed by the

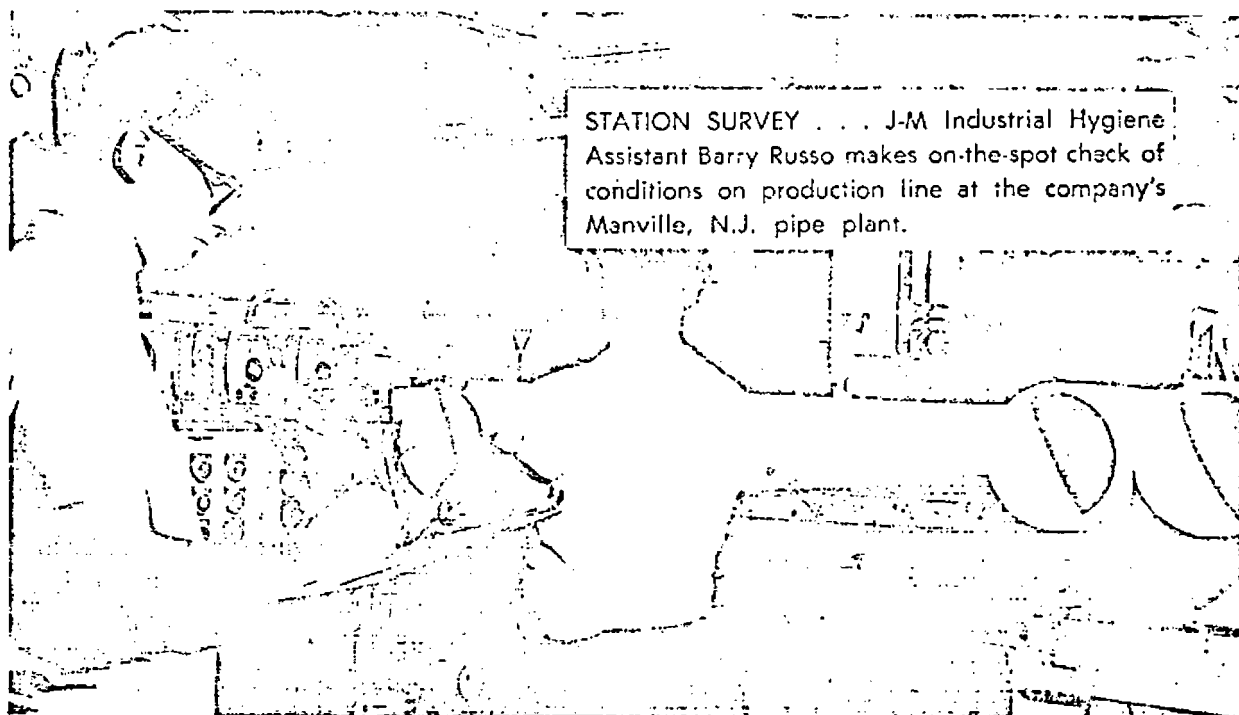
U.S. Public Health Service, to measure noise, dust and fumes.

They are adding external monitoring to their duties in support of Siegfried's area of responsibility, and using a 66-item visual check list to obtain an interim audit of plant emissions, including airborne, solid and liquid as well as sound. As equipment is acquired and additional training obtained, precise measurements will be made at all locations.

Since the company operates in 30 U.S. states and two Canadian provinces, Siegfried keeps an eye on actual and pending legislation and regulations at Federal, state and local levels. Periodically, he issues to all people concerned within the company summaries of these under the title *Environmental Control Notes*.

The department's quarterly reports, besides covering occupational and community control, also summarize the company's participation in health studies being conducted by outside agencies, though the department may not be the coordinator in each case. Some of these involve expenditures by the company through industry groups, while others call for cooperation with government and medical researchers.

Another area of interest to the department is product toxicology; all inquiries directed to the company are referred to Sheckler and the department works closely with operating divisions in preparation of the texts used to label products and instruct users in their proper handling.



SOUND SAMPLE . . . Checking noise levels on production line at J-M's Waukegan, Ill. plant are Frank J. Angelos, center, Industrial Hygienist in charge of Central Region lab, and Dennis R. Christensen, Industrial Hygiene Assistant.



#### **Safety Emphasized**

An additional step has taken Sheckler around the country in recent weeks to attend regional meetings sponsored by the National Insulation Manufacturers Association. Together with a representative of another firm, he has given a series of presentations to contractors and applicators that have proved highly successful and are expected to be continued. Emphasis is on safe and correct handling of materials and adequate employee protection; having been involved in his previous position with the company in workmen's compensation, he is also well qualified to cover this subject for the audiences.

During the first year after its establishment, members of the department will visit every manufacturing and mining location operated by the company. Beyond that, they expect to continue making as many visits as possible; Fenner believes in face-to-face meetings to get to the root of problems and understand conditions in the field.

So far, he is convinced, the new department is doing an effective job of communicating both

to management and operating staffs. With the backing of top management, especially the company president, he is assured that divisional and plant managers are kept aware of environmental control. Response to the department's publications has been good, and he can already point to several situations where, while the department did not provide solutions, their interest in them did speed matters up.

Solutions, Fenner points out, are the responsibility of individual plants, in conjunction with the director of plant engineering and his staff. In some situations, outside engineering consultants will be used to help solve particular problems as has been the case in the past.

Creation of a new department does not itself solve problems. And Fenner readily suggests this. But J-M is one company that has decided to adopt a "total concept" approach in control of internal and external environments. The department serves as a focus for corporate involvement, increases awareness at every level and does much to help assure that improvements are implemented.

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SHIPBUILDERS COUNCIL  
OF AMERICA

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Minutes  
Safety Committee Meeting  
Shipbuilders Council of America

April 2, 1969

Alabama Dry Dock & Shipbuilding Co.  
EXECUTIVE VICE PRESIDENT  
PRESIDENT

The Safety Committee of the Council convened at 9:30 A. M.  
April 2, 1969. Present were:

|                            |                                    |
|----------------------------|------------------------------------|
| Harry H. Howard (Chairman) | Bethlehem Steel Corp.              |
| Lloyd Beers                | Bath Iron Works Corp.              |
| G. M. Bryan                | Ingalls Shipbuilding Div. / Litton |
| John P. Carey              | Bath Iron Works Corp.              |
| Vernon Duke                | Alabama Dry Dock & Shipbuilding    |
| John F. Fitzgerald         | Jacksonville Shipyards, Inc.       |
| David A. Lavalette         | General Dynamics/Quincy            |
| William F. Metts           | Newport News SB & DD Co.           |
| Harold J. Morgan           | General Dynamics/Groton            |
| Lloyd J. Piccin            | Sun Shipbuilding & DD Co.          |
| M. P. Redford              | Norfolk Shipbuilding & DD Co.      |
| Linwood Temple             | Bath Iron Works Corp.              |
| G. P. Walls                | Maryland Shipbuilding & DD Co.     |
| Edwin M. Hood, President   | Shipbuilders Council of America    |
| Edward P. Ruddy, Secretary | Shipbuilders Council of America    |

While the following statement was made by a member of the Committee later at the meeting it was pertinent to all subjects discussed and, therefore, reported at this point. The member of the Committee stated:

"The money involved in the subjects discussed at the 'Accident Prevention Committee' meetings go far beyond that involved in practically every other committee that is functioning within the Council. There is nothing that is discussed by other groups that really approaches the potential cost to shipyards of America like that involved in the subjects discussed by this Committee."

At the invitation of Committee Chairman Howard, the President of the Council opened the meeting with brief comment on several items of current interest:

Def't's EX-2 FOR ID  
Jan 9, 1980 DMS  
Duke depo

## CHANGE OF NAME TO "ACCIDENT PREVENTION COMMITTEE"

Mr. Hood noted that the Council had adopted revised By-Laws which, among other things, made changes in the Council's committee structure including a reconstitution of the "Safety Committee" as the "Accident Prevention Committee." This change, subject to Board approval, is to take place in June. Reaction of the Committee members was unanimously favorable with comment by several particularly endorsing the elimination of "Safety" from the Committee name.

## ASBESTOS FIBER HEALTH HAZARDS IN SHIPYARDS

The Committee had before it press clippings which pointed up a potentially serious problem involving asbestos fiber health hazards in shipyards. Apparently recent medical studies among asbestos workers of the incidence of asbestosis and a type of lung cancer associated with exposure to asbestos, had led to recommendations that the acceptable "Threshold limit" be reduced from 5 millions of particles per cubic foot to 2 millions. Also, there has been wide publicity of autopsy findings of "asbestos bodies" in the lungs of a high percentage of the general population. The implication was that asbestos fibers are becoming an important pollutant in the general atmosphere (See attached article from the WASHINGTON POST dated December 4, 1968).

Mr. Hood reported that a member of the Council's Board at its March meeting had stated his opinion that the Federal safety rules and regulations on this subject now being considered for adoption, probably constitute one of the most important areas for Council activity. The Board member had proposed further that the safety and health problem of asbestosis (and also industrial deafness) might best be dealt with by the Council on an industry-wide basis. In order to be effective the Board member suggested that the Council consider establishment of a highly skilled technical and medical group to cope with these problems.

Mr. Hood reported further that the Board had agreed the matter should first be reviewed by the Safety Committee with a view to submitting its recommendations to the Board.

Council President Hood noted that David Swankin, Director of the Bureau of Labor Standards, had disclosed an intense interest in the industry's handling of this potentially serious health problem and had pinpointed asbestosis as an area to which he hoped the shipyard industry would direct close attention. His basic thought appeared to be

a desire that a situation such as the recent "black lung" controversy in coal mining be avoided.

One member of the Committee referring to the proposal that this problem be dealt with by the Council on an industry-wide basis by means of a highly skilled technical and medical group suggested that companies having these talents among their employees should appoint them to such a group. To get things started, he proposed that a three-man group, including two technical men from the industry and one from the Committee representing the management area be appointed. The three-man group would study the situation and report back to the Committee with its suggestions. However, subsequent discussion disclosed a lack of clarity as to how serious the problem really is, and also that some yards already have studies under way to determine the situation both from the standpoint of industry use of asbestos and as to the medical picture. Additionally, Labor Department industrial hygienists were reported to have approached several shipyards to determine what action is being taken by industry. There was mention that Dr. Irving Selikoff named in the WASHINGTON POST article, has also contacted some yards.

Dr. Selikoff was reported to be Director of Environmental Medicine at Mt. Sinai Hospital in New York and a part of a joint venture between Mt. Sinai, Johns-Manville Corp. and the International Pipe Coverers and Refrigeration Workers Union. Others mentioned as having an interest included the International Office of Asbestos Workers, Aetna Insurance and the Armstrong Company.

A feeling was expressed by several members of the Committee that it is unwise for the yards to refuse access by these interests.

In this context, attention of the Committee was drawn to an article in the WALL STREET JOURNAL dated March 17, 1968, which discloses that Hill & Knowlton, Inc., national public relations firm, is now representing Johns-Manville Corp. on health problems connected with asbestosis and other diseases workers develop from inhaling asbestos dust.

Ensuing discussion convinced the Committee that there are a lot of things going on and that at this time rather than appointing the group of technical people that had been proposed, it would be advisable to first develop further information. The consensus was that the problem needs close watching with coordination of the available information and prompt action. The Committee agreed that the Council should immediately take steps to develop what is taking place in the various areas, catalogue all of them, and determine where the Council can coordinate and fit into the picture.

As one step the Committee agreed the Council should ask all members to provide any information they may have such as studies being made, visits from research groups and so forth.

Concern was expressed both as to the asbestos and the hearing problem that the American Medical Association seems to be left out. Mention was made that a Dr. Howe who heads up the Industrial Medicine Division of AMA, is the proper person to approach for coordination with that group.

Mr. Hood agreed that he would establish liaison with the Hill and Knowlton concern to further develop the activities under way and that the AMA would be contacted.

During the discussion there also was comment that so long as asbestos is used in industry it will present a health problem and that at least from the shipyard industry point of view the eventual solution may lie in the use of substitutes. One proposal was that recommendations be made to the Navy, MarAd and the ship-owners that asbestos containing products not be specified for vessel construction. It was recalled that in sandblasting the safety and health problem had led to substitution of shot blasting and synthetics. The thought was expressed that there may be a substitute for asbestos. In any event, the use of masks was recognized as quite objectionable from a worker efficiency standpoint.

Committee discussion indicated also that the problem has not arisen suddenly and that recent publicity has resulted from suggestions for surveys by the labor unions.

which proposes to increase the benefits under that Act from \$50 to \$100

It was reported that a paper on the problem is scheduled to be presented at the National Safety Council meetings in New York on April 16th.

~~HAZARD~~ Further, as to whether the asbestos problem is new, it was pointed out that as long ago as 1964 the Council had received a letter from the then Director of the Bureau of Labor Standards, Arthur Motley, listing a number of items of this nature which the Bureau intends will, as a matter of evolution, lead to some regulatory action in the future.

Further Committee discussion of various bits and pieces of information led to a recognition that basically a national rather than a single industry problem is involved and that at this point the Council would not be justified in raising a fund to make a study on behalf of the shipyard industry. A transmittal letter is developed for use by the yards in

The Committee recognized that the shipyard employer is at a particular disadvantage because under present legal principles the last employer is being held responsible for all damage to a worker even though his exposure may have been during previous employment periods. The legal situation appears to be quite like that in the hearing cases.

At the conclusion of the Committee discussion, Council President Hood stated he would contact Hill and Knowlton and inform the Committee as to his findings.

#### SAFETY ADVISORY COMMITTEE MEETING - February 24, 25, 1969

Mr. Ruddy reported that the President of the Council, as a member of the new Safety Advisory Committee to the Bureau of Labor Standards had attended the first day of that group's two-day meeting in late February and that he (Mr. Ruddy) had attended the second day in place of Mr. Hood. He reported that a good part of the material made available to the advisory group at the meeting had been already reproduced and distributed to the Council's Committee and that he would continue this procedure to keep the Committee informed as to the activities of the Advisory Committee.

Mr. Ruddy reported that one important recent outgrowth of the general industry expanding dialogue on safety matters has been an interest by the U. S. Chamber of Commerce, the NAM and similar national business groups in the Longshoremen's and Harbor Workers Compensation Act. One reflection of general industry concern with this law is seen in the scheduling by the National Association of Manufacturers of a symposium for high level policy makers on the pending Burton Bill which proposes to increase the benefits under that Act from \$70 to \$105 per week. The NAM symposium is scheduled for late April and Mr. Ruddy promised to report back to the Committee in due course as to the outcome of the discussions.

#### HAZARDOUS MATERIALS DATA SHEET

The Committee was informed that this final regulation is expected to be issued by the Bureau of Labor Standards in a matter of days and when available copies will go to the Committee members and all yards. While the final text has not been disclosed to industry, it is expected that the regulation and the data sheet will follow the format agreed to by the Council's Safety Committee some time ago.

The members of the Committee agreed that it would be useful if a standard form of transmittal letter is developed for use by the yards in forwarding the data sheet to their suppliers. Mr. Ruddy indicated he would

coordinate such a developmental effort if Counsel for the Shipbuilders Council agreed that this is a proper activity.

HANDLING OF POTENTIALLY EXPLOSIVE SHIPS  
BY U. S. REPAIR YARDS

The Committee had before it a request by the Council's Board that it review the ship repair industry's overall policy as to handling vessels that are in a potentially explosive condition whether due to their not being gas freed or because of other factors. The basic thought which prompted the Board to direct this review was that if yards continued to handle these tankers it would be only a matter of time before a major catastrophe occurred with loss of life and property both in the shipyard and environs.

The Committee was informed that at its meeting on March 5 members of the Board had indicated their agreement with the principle that no vessel should be handled in a ship repair yard until it has been gas freed or otherwise rendered safe, and that it was the apparent sense of the Board that this matter should be reviewed by the Council to determine what should be done to eliminate potential dangers. As a first step, the Board had agreed that the Safety Committee should consider the problem at its meeting April 2, 1969, and submit its recommendations to the Board.

Subsequent to the Board meeting the President of the Council received a confirming letter on the subject which states, in part:

"As you can appreciate, the cost and time involved in gas freeing a tanker can be an important cost factor to a ship operator, and as a consequence, this question of gas freeing becomes a part of the competitive atmosphere surrounding the procurement of ship repair work. As I indicated at the Directors Meeting, it is not in our mutual best interests to inject safety considerations of this type into the competitive arena and you will recall I proposed to make our position clear, on an individual company basis, to the Coast Guard and the Department of Labor. Prior to taking this action and as a result of the discussions and assurances that the Council would consider this matter in some depth and take reasonable prompt action, I agreed to defer my approach to the governmental authorities on this subject."

"I am not unaware that the most effective action could probably be taken on an industry wide basis by the Shipbuilders Council, and I heartily endorse the purpose which such action is intended to achieve. However, as you realize, this matter has been considered for several years and no action has been forthcoming.

"I would appreciate your early advice as to a program the Council might propose that would effectively solve this problem."

Mr. Ruddy recalled that in 1963 a special Ad Hoc Committee of the Council had been appointed to develop guidelines for deliberation with the National Fire Protection Association in the formulation of revised regulations dealing with the handling of non gas-freed vessels in ship repair yards. At that time the problem stemmed from various legal problems which had arisen out of the MISSION SAN FRANCISCO episode - a tanker which had collided in the Delaware River with another vessel and the ensuing explosion and fire had almost destroyed the tanker and there were numerous crew deaths and injury.

Legal opinion at that time indicated that shipyards could be fully responsible for any catastrophic incident resulting from the presence of an "explosive vessel" in a shipyard. The 1963 Ad Hoc Committee had considered a proposal that NFPA Code 306 "Standard for the Control of Gas Hazards on Vessels to be Repaired" Section 4, should be amended to greatly restrict the handling of these tankers by ship repair yards.

Committee discussion highlighted a number of things to consider if further restrictions are imposed on the shipyards, including:

- (1) Importance of the work to the industry
- (2) Damage to customer relationships
- (3) Imposition of additional restrictions on yard management
- (4) Impact depending upon a yard's geographical location
- (5) Prospects of shore shops acquiring work now done by integrated yards.

As to the geographical problem it was explained that, if a tanker in a northeast United States port is found to require repair yard service, but the management of a yard refuses to accept the tanker unless it is gas-freed, the vessel will probably leave the port and clean at sea while enroute back to the Gulf so that when it arrives at the Gulf it can enter a ship repair facility in clean condition.

It was reported that differences of opinion had developed on this question and in order to determine what position should be taken by the Shipbuilders Council, a survey had been made of all members. At that time the outcome based on volume of tanker work was about 10 to one against further restrictions.

After discussion, the Committee agreed that as a first step a survey somewhat along the lines of that in 1963 should be made to determine the present position of the individual members of the Council on this important question.

#### BUREAU OF LABOR STANDARDS ADMINISTRATION OF SAFETY REGULATIONS

The Committee entered into a round robin discussion of recent experiences with administration of the safety and health regulations by the Bureau of Labor Standards with particular emphasis on inspection procedures and instances of legal action. Overall comment indicated a hardening of attitude among the member yards. There was agreement that it is of prime importance that in all cases shipyard legal counsel should be called in very early when problems arise. There is some disenchantment with the procedures which are being described by the Government as "informal." In one case it was recounted that the so-called informal hearing actually turned out to be a full dress legal proceeding.

Based on the discussion, it was the sense of the Committee that if possible an informal conference should be set up with Bureau of Labor Standards Director David Swankin, so that the yards could discuss these problems with him without his staff being present. further delay issuance of the regulation insofar as the hearing process

The members of the Committee also agreed to submit by letter to the President of the Council any problems that may arise in the interpretation or administration of specific regulations so that they can be taken up with the Bureau rather than waiting for the Bureau to come up with its own revisions to the regulations.

## EMPLOYEES' COMPENSATION COMMISSION ADMINISTRATION OF COMPENSATION ACT

The members of the Committee were unanimous that a major factor in the large increase that has taken place in Workmen's Compensation insurance premiums is due to the arbitrary powers which reside in the Deputy Commissioner. One member of the Committee suggested that perhaps in place of the Deputy Commissioner, a hearing board ought to be established. Others pointed out that the cost increase is due in large measure to averaging by insurance companies with arbitrary premium and award determinations.

Based on the discussion, it was agreed that this matter should be referred to the Legal Committee of the Council to determine what might be done to change Section 21 of the Longshoremen's and Harbor Workers Compensation Act so as to improve claims administration. The thought was expressed that when the Congressional Committees schedule hearings on the pending legislation to amend the Longshoremen's and Harbor Workers Compensation Act this matter should be brought to their attention and a specific proposal made on behalf of the shipyard industry, if the Legal Committee so determines.

## WALSH-HEALEY SAFETY REGULATIONS

The Committee was informed that revised Walsh-Healey Public Contracts Act Safety and Health Standards originally scheduled to become effective February 17, 1969 had been delayed for a period of 90 days as a result of urgent requests by industry associations for their review by the Nixon Administration. A letter interposing objections to a number of new provisions on which industry had not had an opportunity to comment and strongly requesting such a delay was submitted by the Council to Secretary Schultz. Among new problem areas in the regulations are, of course, the sections dealing with noise levels and asbestos threshold levels.

The Committee agreed that the Council should again distribute the January 17, 1969 revision along with a copy of the existing regulation and the two position letters previously submitted to the Labor Department with a request that Members submit additional comment. The Committee agreed that as a minimum, the Secretary of Labor should be asked to further delay issuance of the regulation insofar as the hearing problem and asbestos is concerned. The Committee was in agreement that the shipyard industry will have most serious problems of compliance unless some change is made in the standards as now pending.

### STANDARD UNIFORM STATE SAFETY LAW

One major subject being currently discussed within the Department of Labor and which has been taken up with industry and labor on the agenda of the Advisory Committee, is a proposal for a Standard Uniform State Safety Law. Mr. Ruddy reported that the specific proposal for a uniform act before the Advisory Committee had been reproduced and forwarded to the Committee for their review.

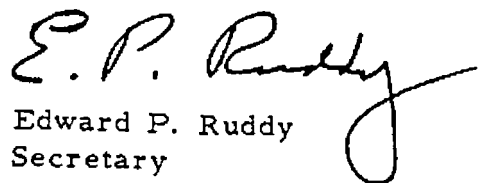
After brief discussion, it was decided that all legislation dealing with the Federal and State Workmen's Compensation and Safety laws including the Federal Occupational Safety and Health Act are matters that can best be handled by the Legal Committee and that the Secretary of the Council should take whatever action may be required to bring these matters to the attention of that Committee. There was agreement that the Council should testify before the Congress against the increases in the level of benefits being proposed in the Burton Bill, HR-6949.

### GEAR CERTIFICATION

Mr. Ruddy reported that no comment had been received from members of the Committee on the Bureau of Labor Standards regulation, Part 1505, Gear Certification, published in the FEDERAL REGISTER, March 4, 1969 and forwarded to the members of the Committee for final comment on March 12th. The assumption is that from the viewpoint of the shipyards, this regulation is acceptable. There was some discussion as to whether shoreside cranes now require certification. No action was taken.

### ADJOURNMENT

The meeting adjourned at 3:00 P. M.

  
Edward P. Ruddy  
Secretary

# COUNCIL OFFICERS AND DIRECTORS ELECTED FOR 1979-1980

At Council's 58th Annual Meeting yesterday (Mar. 14), following Officers and Directors were elected for 1979-1980 term:

|                            |                    |
|----------------------------|--------------------|
| Board Chairman             | Edwin M. Hood      |
| Treasurer                  | Beverly C. Kendall |
| Vice President             | Stuart S. Adamson  |
| Vice President & Secretary | Frank R. Kesterman |
| Vice President             | Nicholas D. Pasco  |

## REGIONAL VICE PRESIDENTS

|                |                   |
|----------------|-------------------|
| Atlantic Coast | Ralph E. Ryan     |
| Pacific Coast  | G. Graham Whipple |
| Gulf Coast     | Leonard Erb       |

## DIRECTORS

|                       |                                                |
|-----------------------|------------------------------------------------|
| Ralph W. Cousins      | Tenneco/Newport News Shipbuilding              |
| Wilfred J. Eggington  | Rohr Marine, Inc.                              |
| Leonard Erb           | Litton/Ingalls Shipbuilding                    |
| C. Larry French       | National Steel and Shipbuilding Company        |
| John T. Gilbride      | Todd Shipyards Corporation                     |
| P. Daniel Gold        | Colt Industries, Inc.                          |
| David H. Green        | Savannah Machine & Shipyard Company            |
| Carmen Guide, Jr.     | Lake Shore, Inc.                               |
| Peter S. Hepp         | Sun Shipbuilding & Dry Dock Company            |
| John S. Jacox         | Westinghouse Electric Company                  |
| David H. Klinges      | Bethlehem Steel Corporation                    |
| Robert L. Massa       | Coastal Dry Dock & Repair Corporation          |
| J. Radcliffe Maumenee | Alabama Dry Dock & Shipbuilding Company        |
| M. Lee Rice           | Ogden/Avondale Shipyards, Inc.                 |
| John L. Roper, III    | Norfolk Shipbuilding and Drydock Corporation   |
| Ralph E. Ryan         | Seatrail Shipbuilding Corp.                    |
| Richard G. Seitz      | Maryland Shipbuilding and Drydock Company      |
| J. J. Sugrue          | Jacksonville Shipyards, Inc.                   |
| John F. Sullivan, Jr. | Bath Iron Works Corporation                    |
| P. Takis Veliotis     | General Dynamics Corporation                   |
| G. Graham Whipple     | Electric Boat Division                         |
|                       | Lockheed Shipbuilding and Construction Company |

Functions of Executive Committee, Finance Committee and Ad Hoc Committee on Future Directions were consolidated with establishment of Executive-Finance Committee composed of Messrs. Cousins, French, Gilbride, Hepp, Klinges, Rice, Sullivan and Veliotis. Mr. French was elected Chairman.

At same time, P. Daniel Cold, Colt Industries, Inc., and David T. Cianelli, Bethlehem Steel Corporation, Shipbuilding Division, were elected Chairmen of Allied Industries Committee and Legislative Liaison Committee respectively.

James R. Barker, Chairman, National Maritime Council - also Board Chairman and Chief Executive Officer, Moore McCormack Resources, Inc. - was principal speaker at Council's Annual Meeting luncheon. His message: not only are U.S. shipping and shipbuilding "in deep trouble," so too is entire Nation. He voiced concern about "national will" to solve today's serious problem of countering Soviet expansionism. With constant expansion in world trade, he cited lost opportunities and deficiencies in planning for U.S.-flag shipping and also deplored lost opportunities for U.S. shipyard - "critical mass of \$1 billion" - as result of U.S.-flag liner operators placing merchant ship construction contracts in Far East (see 2/15 SW).

#### ANOTHER SETBACK IN BRINGING ALASKAN OIL TO U.S. CONSUMERS

On Tuesday (Mar. 13), Standard Oil Company of Ohio (SOHIO) abandoned plans for 1,000-mile pipeline to carry Alaskan oil from Long Beach, CA to Midland, TX. Announced reasons: "endless government permit procedures" plus inflation and regulatory requirements have upset economic viability of project. Incurred cost to SOHIO: \$50 million.

THE WALL STREET JOURNAL (Mar. 14) says: "Ironically, other Federal energy policies may have indirectly contributed to SOHIO's decision. Those policies, which have caused an increase in interstate shipment of natural gas, could make the gas pipelines SOHIO had planned to use unavailable for oil use. . . SOHIO will continue shipping some Alaskan crude to Gulf Coast ports by water through the Panama Canal."

Edward Cowan, in THE NEW YORK TIMES (Mar. 14) reports: "The immediate apparent implication of the announcement by the Standard Oil Company of Ohio was that there would be no quick increase in Alaskan oil production, which now stands at 1.2 million barrels a day. There had been hopes of lifting output to 1.6 million barrels by 1980. Presumably that additional oil would have displaced crude oil imports."

It can be anticipated that this development will trigger another round of demands for export of Alaskan crude oil to Japan via swap of Mexican oil originally destined for Japan.

INSIDE DOE newsletter (Mar. 5) sees "possible Presidential announcement to allow Alaskan oil exports" in June when Export Administration Act restrictive provisions expire. Department of Energy is alleged to have "firmly and finally" concluded that such exports are "in the national interest," and DOE Secretary James R. Schlesinger has reportedly been pressing for President Carter's concurrence.