PLAINTIFF'S EXHIBIT
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Asbestos In Schools

There is a bill progressing in the House of Representatives which, if enacted as written, could have a deleterious effect on our operations. The bill is labeled the "Asbestos School Hazard Detection and Control Act of 1979," (H.R.1524). Sponsored by Rep. George Miller (D-California), its purpose is to "mitigate" situations which pose "imminent" hazards to the health of students and school employees. To do this, a special fund would be created. Monies for this fund would be collected from "any company engaged in the mining, manufacture, or importation of asbestos between the years 1946 and 1972.... Each company's financial obligation to the fund shall be a percentage equivalent to its proportion of asbestos mining, manufacture, or importation" during this period. (I understand Union Carbide's market share during the total time period of 26 years averaged .6%.)

This fund would then aide school districts with half of the costs of surveying and testing school buildings in order to determine whether hazardous concentrations of asbestos exist. Although a $30 million ceiling of contributions is in the bill ($180,000 Carbide contribution), the creation of such a fund could be but the initial step to much greater corporate contributions.

This is possible because, first, the legislation also calls for interest-free government loans to schools for the "mitigation or removal" of the asbestos. New York city, with approximately 1% of the nation's 118,000 schools, estimates abatement costs "in the neighborhood" of $35 million for the asbestos it is finding in approximately 13% of its school buildings. If this percentage and es-

timate is typical, the nation's schools may well be looking at abatement costs exceeding $3.5 billion for this activity -- loans they may not be able to enter into or repay.

Second, the Chairman of the Subcommittee considering this legislation is making statements that the asbestos industry should possibly be required to reimburse these school districts for any abatement costs. This view is also being touted by the Environmental Defense Fund which is pushing a "compromise" in which industry will reimburse the federal government at a later date for half of the costs of inspection and abatement.

Third, the Department of Health, Education and Welfare who would be charged with implementing this program is stating that the program is too costly for the federal government to incur, yet the problem of asbestos in schools remains.

The House Education and Labor Subcommittee on Elementary, Secondary, and Vocational Education is likely to vote on this bill within the next few weeks. It is a bill which will be difficult for members to vote against if it reaches the House floor. A copy of that section of the bill concerning this fund is enclosed. We will be calling on a number of individuals within the Metals Department to assist us in ameliorating this legislation. Be assured we will also keep you abreast of its developments.

TDF/rr

Attachment

(5) the identification of a State agency or other administrative unit with the responsibility for the preparation of the plan and the administration of the control program which it describes.

(b) The Secretary shall approve a plan which meets the requirements of subsection (a) of this section: *Provided*, That it has been reviewed and approved by the Task Force. The Secretary may not approve any plan which has been rejected by the Task Force.

ASBESTOS HAZARDS DETECTION FUND

SEC. 5. (a) There is hereby created an Asbestos Hazards Detection Fund (hereinafter referred to as the "fund") in the Department of Health, Education, and Welfare. The fund shall be administered by the Secretary, or by his designee. All moneys accruing to the fund shall be deposited in the Treasury of the United States, together with all interest accruing thereon. Withdrawals from the fund shall be made only by the Secretary for purposes authorized under this Act.

(b) PAYMENTS INTO THE FUND.—(1) Any company which was engaged in the mining, manufacture, or importation of asbestos between the years 1946 and 1972 shall make payments into the fund. The total of contributions to the fund shall not exceed $30,000,000. Each company's financial obligation to the fund shall be a percentage equivalent to its

proportion of asbestos mining, manufacture, or importation during the period 1946–1972 (adjusted to 1979 value). Each company shall pay into the fund no less than one-third of its total obligation in each of the three years subsequent to the enactment of this Act.

(2) Each manufacturer of asbestos products shall make available to the Secretary an audit with an accurate accounting of (i) the amount of asbestos products it produced in the period 1946–1972; (ii) a description of the products and their use; and (iii) other pertinent data as the Secretary may require.

(3) The Secretary and the Attorney General of the United States are authorized and directed to subpena the records described in subsection (2) of this section, together with any and all supplemental data which either may deem necessary to assure than an accurate payment is made by each company into the fund. All information received by the Secretary under this Act from an asbestos manufacturer shall remain confidential with the Secretary.

(c) PAYMENTS FROM THE FUND.—(1) Units of local government with the responsibility for the administration and safety of schools may apply to the Secretary for a reimbursement from the fund for up to half of the costs of surveying and testing school buildings in order to determine whether hazardous concentrations of asbestos or asbestos products