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TO: Dr. Berry Castleman

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UNITED STATES DEPARTMENT OF LABOR

WASHINGTON, D.C.

In the Matter of:

STANDARD FOR EXPOSURE TO ASBESTOS DUST, PROPOSED RULE MAKING : PUBLIC HEARING

300 X-3
H033A

Conference Room B
Interdepartmental Auditorium
12th & Constitution Ave., N.W.
Washington, D.C.
Thursday, March 16, 1972

The above-entitled matter came on for further hearing, pursuant to recess, at 9:00 o'clock, a.m., Thursday, March 16, 1972.

BEFORE:

ARTHUR M. GOLDBERG, Hearing Examiner

APPEARNCES:

(As heretofore noted.)

3-16-72

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CONTENTS

STATEMENT OF:	PAGE
Mr. J. B. Jobe, Executive Vice President, Johns-Manville Corporation	222
Dr. Thomas H. Davidson, Corporate Medical Director, Johns-Manville Corporation	294
Mr. E. M. Fenner, Director of Environmental Control, Johns-Manville Corporation	301
Dr. Fred L. Pundsack, Vice President, Johns-Manville Corporation	306
Dr. Kingsley Key, Ph. D., University of Toronto	370
James W. Rawlings, Vice-President, Mining and Metals Division Union Carbide Corporation	376
Dr. Norbert Roberts., New York City, New York	382
B. F. Leaman, Vice President, National Affairs-CertainTeed Products Corporation, Valley Forge, Pennsylvania	391
Joseph G. Hall, Vice President, GAF Corporation's Building and Industrial Products Group	399
E. A. DiSalvo, Vice President, Panacon Corporation	407

EXHIBITS

No. 43	353
No. 44	382
No. 45	392
No. 41	304
No. 42	321

60 MR. LEAMAN: I am B. F. Leaman, Vice President for National Affairs, Certainteed Products, Valley Forge, Pennsylvania.

Before submitting my own remarks, I would like to present--which I have done for the record in duplicate the written views of my company on the proposed standard for exposure to asbestos dust.

EXAMINER GOLDBERG: We will mark the submission of Certainteed Company as exhibit 45. And it is received.

(Exhibit 45 is marked in evidence.

MR. LEAMAN: Certainteed Products Corporation is a diversified manufacturer of asphalt roofing, fiberglass insulations, polyvinyl fluoride, pipe and siding, mill work, carpeting asbestos cement pipe and other items in the building primarily of shelter,

Certainteed also wholesales building materials and piping products in various locations around the country. Sales in 1971 approximated $330 million; the principal use of [illegible] is in the manufacture of asbestos cement pipe. This pipe is used primarily for the transmission of water under pressure and for sewer pipe.

[illegible]

In the written views you will find a detailed analysis on the effect on Certainteed, its employees and the public if, because of the promulgation of too harsh a standard by the labor department we are required to terminate our asbestos cement pipe manufacturing business.

I would like to highlight just a few of the statistics that are in much greater detail in the written report. If it should be necessary to curtail production and in fact gone out of the business of manufacturing asbestos cement pipe, the gross profit would be completely lost to the company, obviously.

In addition machinery and equipment within the plants must be considered a total writeoff as this equipment could not in general be utilized for any type of manufacturing activity and salvage value would probably pay only for the removal cost.

The realizability of land and building is [illegible] open [illegible] but for the purpose of the study we assume that net book value can be recovered over an extended period of time.

In the case of [illegible] of the [illegible] [illegible]

[illegible]

[illegible]

[illegible]

ILLEGIBLE DOCUMENT

62 For finished cement pipe inventory, we are assuming a 25 per cent loss on finished and in-process inventory. The profit loss from asbestos cement pipe operations would be somewhat reduced from the company's standpoint due to the corresponding reductions in additional operations and, therefore in personnel.

The effects discussed above can be dollarized as follows:

The net book value of our asbestos cement pipe operation is 26 million dollars. We would expect a loss write-down of $[illegible]. The effect on people employed and wages paid.

In considering the effect of a shutdown of asbestos cement pipe operations on employment and wages we have used the same assumptions as for the previous profit and loss calculations.

In other words, we will assume the discharge of all asbestos cement plant employees, all of asbestos cement general manufacturing employees and all of the [illegible] per cent of administrative employees.

Under these assumptions, [illegible] would appear as follows:

A total of [illegible] employees, we would [illegible] wage level of $[illegible].

[illegible]

63

largest employer in the community. All people dismissed from our pay roll with almost certainty would be added to the unemployment and welfare rolls of those communities.

Thirdly, the effect of shutting down on suppliers and other recipients. We spend about $30 million a year to suppliers and including the paying of federal taxes. It appears to be a safe assumption that about [illegible] people would be thrown out of work by our vendors and truckers.

Equally important a strong, viable enterprise having contributed $[illegible],377,000 in federal income taxes plus $[illegible],000 in local property taxes would be forced out of business by government action at a time when our government [illegible] actually subsidizing many marginal and sub-marginal industries which have been in business for many years simply to preserve jobs for the American worker. Furthermore, we would be eliminating a [illegible] business and the [illegible] not be [illegible] that all [illegible] business could be replaced by [illegible] and other products [illegible] of [illegible].

[illegible]

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We have made some rough calculations as to the cost of compliance with the proposed rules and the Advisory Committee Report. Keeping in mind that each plant has certain peculiar problems all its own, it is our best estimate that compliance with the proposed rules will result in an average per-plant expenditure of $200,000 or with six plants, a total capital investment of $1,200,000.

Even with this expenditure we view at least three operations within our plants that under the five fiber count will require the employee performing the job to wear a respirator. In addition this does not estimate the additional annual operating cost that would be required to administer the program. To meet the requirements of the Advisory Committee Standard, we estimate the capital cost would be double that required under the proposed standard or a total of $2,400,000.

However, and I wish to emphasize this as strongly as I can, we do not at this time feel that even with this expenditure we will be able to comply with the two-fiber [illegible]

65

proposed standard which is set forth in the written material adopts many of the positions espoused by the Advisory Committee report. By our proposed standard, we are submitting Certainteed to most of the expenditures set forth above.

We sincerely ask that the Labor Department not now consider going to a two-fiber standard and thereby increase these costs to what may be an intolerable level. Certainteed is a diversified manufacturer and our management will not commit capital funds to one segment of our business to the detriment of other segments of our business competing for the same dollars if the expenditures can not be recovered and may not even preserve the life of that division.

If there is any doubt about the future of cement management will have to divert funds.

Our management has indicated it will commit the dollars necessary to engineer to a five-fiber standard to the extent that it technologically could be done. They have considered but not committed to the expenditure of any funds if the standard is set at two fibers.

I wish to emphasize C[illegible]'s position that [illegible]

[illegible]

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transmission would immediately make it unsalable.

Municipalities subject to political pressures would not take a chance on a product so labeled. There is no evidence that ingestion of asbestos fiber in any way is harmful. However, all the public and the public officials will see when they see the label is the word "cancer" and the "No-Sale" sign will go up.

Whereas, in asbestos pipe cement the asbestos is bound into the product and then after leaving the plant it seems more than a little drastic to label the pipe in such a manner as to make it unsalable.

We certainly do not quarrel with the desire to dispose of or confine loose asbestos fibers but we have not figured out how you put ten to twenty tons per day of asbestos into plastic bags.

It can be done but the cost would be prohibitive. We feel asbestos scrap and waste, including asbestos [illegible] can be disposed of in quantity only in a land fill where the waste can be covered each day and will present no danger [illegible].

[illegible] of the land fill would be by our [illegible] [illegible] [illegible] [illegible] and [illegible] [illegible] [illegible] in pipe [illegible] [illegible] and disposal of these should not be governed by [illegible].

ILLEGIBLE DOCUMENT

67

In conclusion, Certainteed would point to those areas in which we have the greatest concern--fiber count, dust, and waste disposal, label; repeating Certainteed does not know whether the standard it proposes is technological or economically feasible but if we can have a realistic standard in the form presented here we feel we can have a real possibility of compliance.

Thank you very much.

EXAMINER GOLDBERG: Thank you, Mr. Leeman.

You are excused, sir.

Mr. Hall.

STATEMENT OF JOSEPH G. HALL, VICE PRESIDENT GAF CORPORATION'S BUILDING AND INDUSTRIAL PRODUCTS GROUP.

MR. HALL: I am Joseph G. Hall.

I am Group Vice President of GAF Corporation's Building and Industrial Products Group. I have been associated with GAF for 22 years and have been involved with asbestos products and their manufacture for all of those years.

[illegible]