UC 149-2

PLAINTIFF'S EXHIBIT

UC-3010

UNION CARBIDE **INTERNAL CORRESPONDENCE**

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To (Name) Mr. T. D. Finnigan
Division UCC
Location 1730 Pennsylvania Ave. N.W.
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Date February 23, 1979
Originating Dept. "Calidria" Asbestos
Answering letter date
Subject HR-1524

Copy to Messrs. G. R. Adams
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File

This letter is to confirm our telecon of this date, which concerned the Subject Bill and its potential impact on our asbestos business. The information on the attached sheet summarizes the data you requested concerning our share of the U.S. asbestos market from 1946-1972. I have added the years 1973-1978 for informational purposes only and a second sheet summarizes the U.S. Asbestos Industry.

We have never promoted our asbestos for the application in schools which is causing the current adverse publicity (flaking ceilings); and, to my knowledge, our asbestos has never been used in this application. During the period 1963 to 1972 we have promoted and sold our asbestos for use in vinyl/asbestos floor tile and in acoustical board used for ceiling tile, and one would expect to find both of these products in schools. We no longer supply asbestos in the U.S. for use in ceiling tile but sell significant quantities in Japan for this application. It is conceivable that the U.S. imports ceiling tile from Japan.

To my knowledge there is no data which indicate that the asbestos fibers in floor or ceiling tile can be released in amounts that would be harmful, regardless of exposure time. In floor tile the fibers are held by a resinous binder and in ceiling tile by a starch or similar binder.

If the asbestos industry is required to underwrite the $30,000,000 survey described in the Bill, our share, based on total market participation of 0.6%, would be $180,000. This sum would not ruin our asbestos business but the passage of HR-5124 could set a very undesirable precedent with farreaching ramifications.

Although it may be too late and very difficult to achieve, it seems that much could be learned from a survey of typical school conditions conducted jointly by industry, government and the scientific community. Such a survey, at a cost much less than $30,000,000, should show that there is no need to remove and replace all asbestos-containing materials in school buildings.

Please let me know if you require any additional information.

John L. Myers

John L. Myers

JLM:dal

"CALIDRIA" ASBESTOS PARTICIPATION IN U.S. MARKETS

(J. L. Myers, 2/23/79)

Year	Short Tons U.S. Asbestos Consumption*	Short Tons UCC Domestic Shipments	UCC Shipments as % of U.S. Consumption
1946-62	11,801,950	0	0
1963	724,212	80	0.01
1964	813,306	1,254	0.15
1965	794,708	4,043	0.5
1966	805,391	12,718	1.6
1967	720,583	13,518	1.9
1968	817,363	14,744	1.8
1969	784,321	14,504	1.8
1970	728,131	14,683	2.0
1971	768,781	17,896	2.3
1972	821,728	18,912	2.3
27 yrs.	19,580,474 T.	112,352 T.	0.6%
Ave.	725,203 T.	4,161 T.	0.6%
1973	882,908	24,944	2.8
1974	845,825	19,692	2.3
1975	607,637	25,096	4.1
1976	726,322	18,213	2.5
1977	671,543	17,253	2.6
1978	642,641	25,954	4.0

*From Minerals Yearbooks and Mineral Industry Surveys prepared by the USBM

U.S. Asbestos Industry

Asbestos ranks 10th in the list of minerals and metals for which the United States relies heavily on imports. The nation produces 15% of its asbestos needs and of the 85% imported, 98% of the Chrysotile is from Canada. All of the Crodicolite and Amosite originates from South Africa.

Apparent U.S. consumption of asbestos was 642,641 short tons in 1978, 4.3% less than the 671,543 tons reported for 1977 and 11.5% down from 726,322 tons in 1976. Mr. Clifton projects that domestic demand for asbestos will decrease at an average annual rate of 1% through 1985.

The construction industry used about 63% of the asbestos consumed in the United States in 1977 in the manufacture of asbestos-cement pipes, flooring and roofing products and asbestos-cement sheets. Major end uses for asbestos in the U.S. in 1977, according to the Mines Bureau, were:

* Asbestos-Cement Pipes	24.0%	* Paper	3.5%
Flooring Products	23.0%	* Insulation, Thermal & Electrical	3.0%
* Friction Materials	13.5%	* Textiles	1.5%
Roofing Products	9.5%	Plastics	1.0%
* Asbestos-Cement Sheets	6.5%	Other	5.0%
Coatings & Compounds	5.5%		100.0%
* Packings & Gaskets	4.0%		

Of the 671,600 short tons of asbestos consumed by the U.S. in 1977, 637,600 tons of Chrysotile were used in the manufacture of all the above product categories. The remaining 33,900 tons were of the Crocidolite, Amosite and Anthophyllite varieties, used as follows:

Crocidolite—25,400 tons in asbestos-cement pipes, 900 tons in plastics, 500 tons in paper, 100 tons in roofing products and 100 tons in packings and gaskets;

Amosite—3,000 tons in asbestos-cement pipes and 1,200 tons in asbestos-cement sheets;

Anthophyllite—700 tons in friction materials and 2,000 tons in "other" products.

Although we have no figures as yet for 1978, 207 short tons of unmanufactured asbestos were released from the U.S. Stockpile in 1977 compared with 552 tons in 1976, 6,877 tons in 1975, 28,851 tons in 1974 and 6,761 tons in 1973.

The total amount of asbestos *produced in the United States* in 1978 was 100,309 short tons, valued at $26,303,000, down 1.4% in quantity from 1977 but up 4% in value. Compared with the year 1976, output showed a decrease of 12.7% but value was up 11%. U.S. asbestos production for the past five years was: 1978—100,309 tons, valued at $26,303,000; 1977—101,704 tons, valued at $25,267,000; 1976—114,842 tons, valued at $23,693,000; 1975—98,654 tons, valued at $14,220,000, 1974—109,091 tons, valued at $13,759,000.

California is the largest asbestos-producing State (aproximately 70% of total U.S. output), followed by Vermont, Arizona and North Carolina (the latter producing a minimal amount of Anthophyllite). California produced 68,992 tons, valued at $17,402,000, in 1978; 77,000 tons, valued at $19,000,000 in 1977, and 83,302 tons, valued at $16,951,000, in 1976.

*"Calidria" asbestos not used in this application.

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