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December 15, 1980

Dear Mr. Colli:

I appreciated the opportunity to talk with you on Friday about the EPA "Priority Review Level 1 - Asbestos Contaminated Vermiculite" report. This will confirm our meeting for 9:00 A.M., Tuesday, January 6 on this topic.

We understand that you, Mr. Ed Cline, Mr. Rick Guyman, Mr. John Rich and possibly some other interested EPA people will be present. In addition to myself, there will be Mr. Dick Bangs, who heads up our Regulatory group, and possibly one or two other people who have pertinent knowledge of the situation.

I hope you can appreciate our concern about this report. It centers around the following three areas:

First, Scott finished products, which are sold to consumers, have not been found to contain any asbestos and they have been thoroughly investigated since mid-1977 by a highly respected outside laboratory, knowledgeable in asbestos technology.

Second, Scott no longer uses any vermiculite from the Libby, Montana Grace mines which was shown to contain asbestos in the raw ore. We discontinued using this source during this year.

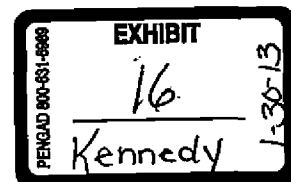
Third, our work place is clean and well below all OSHA limits in fiber count.

Thus, when we found our work place a few years ago contained fibers, we worked hard to reduce the contamination and we are in complete compliance with all

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OSHA standards. We have been open with EPA and OSHA and our own working associates with regard to the past situation. As recommended by the OSHA consultants, we are sponsoring additional medical testing to shed more light on the entire matter.

In view of this effort and our own present clean situation, it would be most destructive to Scott if past data, that is no longer relevant, would be used to indict either Scott or its products.

Very truly yours,

John Kennedy

DOJ WRG 00216