



Johns-Manville

Internal Correspondence

To: File

Date: April 28, 1978

From: D. M. Kelleher

Copies: J.E. Connor
J.F. Reis

R.A. Cree

Subject: DANA CORP, VICTOR DIVISION - APRIL 14 CALL ON
JOHN E. ZEITZ, CHIEF ENGINEER AND JOHN A DAMUSIS,
CHIEF PRODUCT ENGINEER, GASKET DIVISION

Zeitz questioned their future use of asbestos. He stated they are doing no more research on asbestos - only substitutes. The primary reasons for moving away from asbestos is the asbestos and health issue, and our rapidly increasing prices. He felt the Automobile Company would force them to switch. He cited Ford's "want list" to prove his point. He said Volvo does not use asbestos. Also several of their customers (Caterpillar, John Deere, and Purolator) want to go asbestos free. He said asbestos free gaskets would perform, however cost more. He indicated that in many applications where the value of equipment is high, the cost penalty would not be great. (As a % cost of the equipment).

In the cost area, they had projected our price increases over the past few years into the future - they used an annual increase of 15% in their projections. The 15% projected increases had a major impact on their decision. He indicated they were willing to write-off their Robinson plant.

We reviewed our activities with G-M and Ford. We told him:

Krebs said he was unable to get fiber counts in their gasket shop. (No airborne fiber).

That both Ford and G-M have indicated they intend to use the most cost effective material. If the material is hazardous, they include the cost of handling it in the cost equation.

That we didn't believe the auto companies would force them to change.

Also we offered, and he requested that we send him a letter describing our long term pricing strategy.

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EXHIBIT

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Zeitz indicated that there are real problems with meeting the OSHA standards in plants. (This may be a larger issue than it was presented to be).

Other statements, etc.:

Victor-Dana is going to have a meeting of their Factory Managers, Licensees (worldwide) and large customers on October 9-10, about 40 people. We offered to give an asbestos and health seminar. I think they will accept.

He suggested we make an asbestos and health presentation to the ASTM in October. (We should look into this, however, it didn't sound as if many decision makers went to ASTM meetings).

Ford Want List - Asbestos free gaskets requested by Charles Nave, Manager, Technical Planning, and Bernard H. Ris of Project 53 - Asbestos Free Gasket Material, all are in Dearborne.

For substitutes they are looking for non-fibrous materials.

A major concern in asbestos and health was product liability arising from the corner gas station mechanic's use of gaskets.

He said the primary meeting for the automotive industry is the SAE. Most principal decision makers attend it. (We should consider getting on the agenda with an asbestos and health presentation. We should meet with the Gasket Committee and Friction Material Committee).

We told him that we speculate that the asbestos standard would be set at approximately 1 f/cc.

In the generic carcinogens rating that asbestos would be considered a "mild" carcinogen.

Parker Field - the new Division Manager, "is not happy with the long term supply of asbestos".

Al Moore in J-M, Denver, advises us to check with him two or three times per year and he will tell us if there is any progress towards making an asbestos free sheet gasket.


D. M. Kelleher

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