PLAINTIFF'S EXHIBIT

GP-887

SEMIANNUAL REPORT TO THE MEMBERSHIP

September 7, 1976

Gypsum Association

SGP 0010432

File ; N- (Gyp Assoc)

TABLE 1

MAXIMUM FRAMING SPACING FOR SINGLE-PLY CONSTRUCTION

Single-ply Gypsum Board (Thickness)	Application to Framing Members	Maximum Framing Members O.C. spacing To Received Conventional Decoration	To Received Waterbased Texture Finish
	* Ceilings		
3/8 in.	Perpendicular	16 in.	N/A
* 1/2 in.	Parellel	16 in.	N/A
1/2 in.	Perpendicular	24 in.	16 in.
5/8 in.	Perpendicular	24 in.	24 in.
*5/8 in.	Parallel	16 in.	N/A
	Sidewalls		
3/8 in.	Perpendicular	16 in.	16 in.
1/2 in.	Perpendicular	24 in.	24 in.
*or 5/8 in.	or Parallel		

* 3/8 in. single-ply gypsum board shall not be applied over steel framing or where it supports insulation.

7.2.2 In single-ply installation, all ends and edges of gypsum board shall occur over framing members or other solid backing except where treated joints occur at right angles to framing or furring members.

7.2.3 End joints shall be staggered and joints on opposite sides of a partition shall be arranged to occur on alternate framing members.

SGP 0010433

Copy to H. Carlson 19/9/76.

SGP 0010434

REPORT OF THE

SECRETARY

TO THE MEMBERSHIP

September 7, 1976

Less than two years ago the membership of the Gypsum Association initiated an industry program directed at the mobile home industry, emphasizing the use of gypsum wallboard in mobile homes. Almost immediately, each of our standing committees addressed itself to appropriate activities which would hasten the use of gypsum in mobile homes.

It has been most gratifying to observe the speed with which our committees have accepted this responsibility and, without exception, have accomplished specific objectives with tangible results. An industry position on fire safety in mobile homes was presented to the Department of Housing and Urban Development as one of our first efforts. The position emphasized stringent fire safety criteria, but also offered interim standards which recognized the difficulty of the mobile home industry adopting two new standards requiring new products within a very short period of time.

The membership rallied to submit to HUD all of the available generic test results for fire safety, structural stability and sound control. Application standards for gypsum wallboard were also developed which have proved invaluable to the mobile home industry in adjusting to the use of gypsum wallboard.

We have initiated a liaison with the Manufactured Housing Institute which offers a sounding board for meaningful discussion and allows our membership to talk directly with manufactured housing producers concerning the changeover to our products. We have also initiated a continuing direct mail program with the entire membership of the MHI. This means that those manufacturers are being kept fully supplied with our Association technical literature and other current information on the application of our products in mobile homes.

It is gratifying to see our Association members working together to hasten the use of our products in one of the potentially largest new markets to appear in many years. It is a prime example of one industry assisting another in a necessary and progressive step toward safer housing.

Most of the committees will report on their successful accomplishments and proposed plans to further speed up the acceptance and use of our products in mobile homes. We urge the membership to be prepared at the semiannual meeting to discuss this topic and give its direction in order to expeditiously take advantage of this potential new market of over one billion feet of gypsum board per year.

FEDERAL LEGISLATION

The impact of governmental legislation at all levels

continues to increase. The Association during this past six months has become involved in two new critical areas of federal legislation. The first is the enactment of new Securities and Exchange Commission regulations requiring large corporations to report their assets and inventories on a replacement value basis for future financial reports. The Association has planned a seminar for member company financial executives to discuss the impact of this legislation on our industry and to recommend, if warranted, further Association activity in this area. The seminar will be conducted by our legal counsel, Baker & McKenzie, and our accounting firm, Peat, Marwick, Mitchell & Company.

The SEC objective with this new regulation is to more fully advise the investing community on the actual position of the large corporations with relation to its fixed assets and inventories. The SEC has strongly recommended to trade associations that they set up guidelines for replacement value accounting in their industries. The SEC has also offered to attend seminars and send speakers to industry meetings to assist in the changeover. Any further activity in this area will be at the recommendation of member company personnel attending our first seminar.

Another instance of possible federal legislation critical to our industry is the proposed Mine Enforcement and Safety Administration (MESA) regulations which would include

many non-metallic minerals such as gypsum in the same classification as fibrous asbestos. The Association has initiated a crash program to gather all available information which can be used to oppose such legislation. This includes all historical information of medical cases showing the complete absence of hazards or medical problems due to gypsum dust and technical information showing the innocuous nature of the construction of gypsum crystals.

Currently, we are preparing a statement of our industry position for presentation to federal authorities and an advisory board of MESA, with whom we are very familiar due to past activity. This subject will be one of the vital topics of discussion at our semiannual meeting.

Proposed legislation of long standing is the transfer of the Mine Enforcement and Safety Administration from the Department of Interior to the Department of Labor. A powerful program by organized labor to push this legislation to a conclusion is reaching a climax in the Senate at this writing. We have kept the membership informed of this almost overwhelming effort and at present the use of a filibuster on the U.S. Senate floor appears to be the only last definite action that can forestall this transfer. We sincerely hope that each member company has reacted to our suggestions and contacted its senators with a plea to forestall the transfer of this activity. The results should be known by the time this report is published.

INDUSTRY STATISTICAL REPORTING

We have now passed the half-way mark in our one year trial program of collecting production figures by individual states in addition to the ongoing U.S. Census regional reporting. It has been a program resulting in mixed reactions. First, we believe that most of the gypsum manufacturers approve of the more informative state figures; however, aspects of the resulting program have been most frustrating. At least one reporting company has been substantially late each month of the year thus far without exception. We are not sure if the request for state figures has caused this delay or not. Our confidential accounting firm, Peat, Marwick, Mitchell and Company cannot collate the figures and publish the report without all member companies having reported on time.

In addition, at our request, PMM have completed a six month reconciliation of our figures and have found that seven companies have submitted erroneous data wherein the state figures have not reconciled with the regional figures. We have asked PMM to contact each of the seven companies and reconcile the first six month figures for each company before issuing June figures. At that time, the first six months' results will be correctly reported.

It is anticipated that the Board of Directors will discuss this subject at the semiannual meeting to determine if

the additional state figures are important enough to the membership to continue the present program with the difficulties of incorrect and continually tardy reporting.

MEMBERSHIP EXPANSION

The Board of Directors, at the 1976 annual meeting, directed that a special meeting of the membership be held to consider an amendment to the Bylaws which would permit manufacturers of gypsum building materials outside of the United States to join the Gypsum Association. At the special meeting, in light of additional information, the membership voted to delay consideration of the amendment and to refer the question back to the Board of Directors for further review. The amendment will again be circulated to the membership, within the time period set forth in the Bylaws, leading to possible further consideration of the Board of Directors at their upcoming meeting.

BUDGET CONSIDERATION

The Association has been operating on the budget approved at the annual meeting last April. Several committees have extra budget considerations under review and these will be presented at the semiannual meeting. Based on present committee recommendations and slight additional monies that could be approved at this meeting, it is expected that a 2-1/2¢

assessment, based on 1975 tonnage, should be appropriate for the next six-month period.

Respectfully submitted,

A. Victor Abnee, Jr.

A. Victor Abnee, Jr.
Secretary

SAFETY COMMITTEE

REPORT OF THE
SAFETY COMMITTEE
TO THE MEMBERSHIP
September 7, 1976

The Safety Committee met on August 3, 1976 in OakBrook, Illinois. The following will highlight the current activities of the Safety Committee:

INDUSTRY ACCIDENT EXPERIENCE

The industry accident frequency rate for the first six months of 1976 has increased 45% over the frequency rate for the same period of 1975. The frequency rate (disabling injuries per million man hours worked) of 4.99 represents 32 disabling injuries in our member plants, as compared to 21 disabling injuries incurred during a comparable period of 1975. It is clear that increased emphasis on safety will be required for the remainder of this year if our industry is to equal our 1975 safety record. A complete review of our six months' accident experience will be included in my oral report at the semiannual meeting.

As reported at the annual meeting, the Safety Committee has recommended that the Gypsum Association follow the lead of the National Safety Council in adopting the OSHA Incident Rate Base for the Association Safety Contest effective January 1, 1977. The current statistical report form, with minor modifications, will become the vehicle by which the Association will continue to collect OSHA data after January 1, 1977. The Association

has collected OSHA data for the years 1974 and 1975 which will serve as our historical base for the years to come, in lieu of our previous ANSI Z 16 contest base, which will end December 31, 1976.

The Harris Trust and Savings Bank, Chicago, Illinois, will continue to solicit industry safety statistics under the new OSHA Safety Contest format thereby maintaining the continued accuracy and legitimacy of this most important industry program.

FEDERAL LEGISLATION

The proposed OSHA noise standards continue to be an activity of great importance to the committee. OSHA has scheduled public hearings to commence September 2, 1976 relative to yet another noise impact statement prepared by Bolt, Beranek and Newman. Initial review of this impact statement discloses a $4,670 cost per production worker in our SIC 327 group, which is the highest dollar figure shown for any industry in the entire report. This, and other information in the analysis statement, will be addressed by the Gypsum Association during the forthcoming hearings.

As reported to you at the annual meeting, the Gypsum Association has been very actively involved in presenting testimony in the U.S. Senate and House of Representatives regarding proposed safety legislation that would transfer the mine enforcement safety activity from the Department of Interior to Labor. Under the auspices of the Manufacturing and Mining Committee, an extensive

constituent letter writing campaign relative to House Bill 13555 was launched. Unfortunately, management's voice concerning this proposed safety legislation was muffled by heavy union lobbying and the U.S. House passed the bill by a vote of 309 to 86 and sent it to the Senate where action can be expected in the near future. The legislative transfer proposes enforcement of Federal Mine Safety Rules to the Labor Department, and affect coal mine safety rules and those covering metal and other mines. The legislation also requires mine operators to provide a work environment free of recognized hazards, sets new rule making procedures, and strengthens enforcement procedures.

The Association has launched yet another letter writing campaign in an attempt to thwart the passage of this legislation in the Senate. A further report covering this particular legislative activity will be made at the membership meeting.

Another area of industry importance is the proposed MESA mineral fiber standards. A special meeting of the Manufacturing and Mining Committee was held August 10, 1976 to consider the posture of the Association relative to future activity in this area. The Safety Committee supports the recommendations of the Manufacturing and Mining Committee, which will be presented by the chairman of that committee to the membership at the semi-annual meeting.

SAFETY TRAINING PROGRAM

The committee continues to develop various safety training programs, among which are the third edition of the "Industrial Safety Manual" now published in loose leaf form and doubled in size from previous editions, and the slide cassette plant safety training program for plant supervisory safety training purposes. On the basis of the success of the "Plant Safety Training Program, Volume I," the committee is currently developing yet another segment, to be known as the "Plant Safety Training Program, Volume II." The new program will contain five additional common industry operational hazards and corrective procedures. In addition, the new program will include a mini-safety seminar program to be utilized by plant safety supervisory personnel unable to attend the regional seminar programs due to work schedule commitments.

In our recent series of safety seminar programs the committee conducted a full day seminar in the Chicago, Illinois area. In keeping with our country's Bicentennial celebration, the seminar, attended by over 50 area plant supervisory personnel, followed the theme "Gypsum Industry Salutes Safety in the Bicentennial Year." A special feature of this particular seminar program was an opening address by Vincent Tofany, President of the National Safety Council, who complimented the group for the close cooperation and liaison that his organization has enjoyed with the Gypsum Association over the years in support of the voluntary industry safety movement. Mr. Tofany, in recognition of

the Association's distinguished service in promoting the efficiency and effectiveness of safety programs during the year 1975, presented the National Safety Council's 1976 Association Safety Award. Other guest speakers from E. I. duPont, Mine Enforcement Safety Administration and the Occupational Safety and Health Administration complimented the Association for its excellent safety efforts. A historical display featuring pictures of old industry operations and safety posters added to the spirited enthusiasm expressed by all in attendance. The Safety Committee strongly supports this Association safety training activity and several future seminar programs are planned.

NEW SAFETY PROGRAMS

In addition to the new formats of our Safety Bulletin and Fleet Safety Newsletter and the new photographic 1977 safety poster series currently under development, the committee is in the preparation stages of a "Safety Reference Compendium." This 48 page soft cover booklet will contain a compilation of safety articles that have been published in the Association Safety Bulletin since its inception, and should prove to be a useful mini-safety talk reference for in-plant use.

In continuing to cautiously pursue the developmental stages of a new industry 16 mm safety training film, the Association has contacted Mode-Art Pictures, Pittsburgh, Pennsylvania, producer of "Safety Zone" and "Don't Drop the Ball," in an effort

to obtain their guidance for the early stages of this project. They have, in response, offered two possibilities. First, we could proceed in the same manner as we have on past films by requesting funds to develop a script treatment of the subject matter followed by another request for production funds. The second option, which would result in a minimum initial investment by the Association, stipulates that Mode-Art would fund the production in exchange for the guarantee of the Association membership to purchase 100 films at $225 each within two years. While the latter proposal seems attractive, the committee did not feel we could recommend it to the Board without some guidance, in that a special assessment might later be required if the specified number of films were not sold prior to the second anniversary of the production. Further details on the options will be discussed in my verbal report at the semiannual meeting.

On behalf of the Safety Committee, I would like to extend our sincere appreciation to the Association staff, especially Mr. Fred Rogers and Mr. Mike Brenner, who worked diligently in developing all Association safety training programs and activities which make our industry safety efforts not only successful, but award winning nationally recognized programs. A complete report of the Safety Committee recommendations will be contained in my oral report to the membership at the semiannual meeting.

Respectfully submitted,

J. D. Cornell, H

J. D. Cornell
Chairman

TECHNICAL COMMITTEE

REPORT OF THE

TECHNICAL COMMITTEE

TO THE MEMBERSHIP

September 7, 1976

The ninety-seventh meeting of the Technical Committee was held August 4, 5 and 6 in Ann Arbor, Michigan. The meeting was well attended, having seventeen representatives from seven companies, five Association staff members and legal counsel.

SECTION I - PRODUCTS

The revised ASTM product standards for backing board, water resistant backing board, sheathing, lath and veneer base have been approved in C-11 and forwarded to Society ballot. This completes the addition of performance requirements to these products. Form board and roof and floor substrate board are still in the process of revision in C-11. In view of the limited demand for roof substrate board, the Technical Committee requests the Board of Directors' opinion as to whether the Association should promote a special product for this application when it is possible one of the standard fire rated products could serve this limited market.

The Technical Committee reviewed its metric stance and reaffirmed its previous position to maintain an active position in metric conversion. However, on the question of hard vs. soft conversion, there is now a divided opinion, whereas the committee formerly favored hard conversion.

There is still no resolution for determining end points for the abrasion and scrubbability tests in the proposed pre-decorated board standard. One comment suggests including the test methods in C-473 and proceeding with the product standard without requirements for scrubbing and abrasion. It appears the development of test criteria may be a long process, so this would expedite a standard for pre-decorated board.

A sum of $2,000 has been allocated for racking tests of 5/8" type X sheathing and these tests have been approved in principle. A wet and dry racking test series at the National Association of Home Builders will be investigated.

Following the tests, it was proposed to revise the Association literature to include the results and also to include both 5/8" and 0.4" sheathing. A statement is to be added that all finishes over gypsum sheathing are to be applied using mechanical fasteners through the sheathing and into the framing.

A comparison of results from the round robin type X bench test shows that the method is very reproducible. Minimum values for 1/2" type X and 5/8" type X have been proposed and are to be agreed on prior to December 1. In the meantime, the form change to the appropriate ASTM product standards will be revised so the new type X definitions can be submitted at the C-11 meeting in January.

The task group appointed in ASTM C-11 to handle the wallboard quality complaint is working on a test to define and limit the problem. A proposal was made at the Technical Committee meeting to review the present ASTM performance criteria in order to determine if these requirements should be tightened.

The committee voted to oppose the use of a 15 minute finish rating in ICBO Recommendation 1632 and elsewhere. The finish rating is dependent upon the assembly tested and should not be used as a general criteria for fire resistance ratings.

It was proposed that a standard be developed for soffit board. A task group was appointed to pursue this.

SECTION 2 - SYSTEMS

The proposed application standards for gypsum plastering, veneer plastering, and interior lathing and furring have been adopted by ASTM as a result of their August 1976 ballot.

There are discrepancies in the ASTM standards for steel studs (C-645) and the installation of same (C-754). In addition, there are inconsistencies in the height limitations specified in ICBO research reports, C-754 and our Fire Resistance Manual. A technical and building code task group will study these problems and propose revisions necessary to correct the inconsistencies.

The proposed C-840 specification for the application of gypsum board has been returned to C-11 because of negative ballots which must be resolved. One of the negatives concerns the application of wallboard over plastic foam. It was stated that had it not been for this negative, the specification would have gone ahead because the negatives involving the 24" center spacing for 1/2" board are considered non-persuasive. Two letters have been received in opposition to our special recommendation concerning the limitation of 1/2" board applied to 24" o.c. ceiling supports. Although not unanimous, the committee opposes that section of C-840 because 1/2" board applied over ceiling supports spaced 24" o.c. and textured is susceptible to sagging. The secretary will respond indicating our concern for sagging as the reason for recommending 5/8" board for this application.

A white paper was prepared by a member for presentation to the tile industry. This paper is a comprehensive description of the history and development of tile backing board and points out the reasons for the Association position in recommending against joint taping or finishing under the tile. One proposal in C-11 was to manufacture square edge tile backing board. While this would solve the uneven surface, the contractors would still require the tapered edge for non-tiled areas and the inventory problem could be substantial. A Technical Committee proposal is that a shallow taper be considered as a compromise. All member companies are to review this before deciding whether the Association should present it to the tile industry as an alternative.

A letter has been directed to the City of Los Angeles, citing the lack of experience with the dry set mortar over tile backing board and, therefore, our reluctance to endorse the system at this time.

A special session was held at the Technical Committee meeting to review shear tests of structural assemblies used in manufactured housing. The objective was to pool data from member companies in order to avoid future duplication in testing. A task group will contact Underwriters' Laboratories to request generic values for 5/16" board on ceilings with rosettes 24" o.c. and staples 4" and 6" o.c. both parallel and perpendicular; and also to request generic values for walls with 2 x 3 studs having 5/16" board both on one and two sides using adhesive and fasteners. The discussion with Underwriters' Laboratories will be followed by formal request for an Underwriters' application and approval to proceed. This will require release to U.L. on a non-reimbursement basis of member company test data selected by the Technical Committee.

An application standard for 5/16" MH board was revised at the meeting and will be distributed for final approval before printing as an Association recommendation. The Manufactured Housing Institute has requested information regarding the handling and application of 5/16" board and it was suggested that this be handled by separate Association recommendations.

In view of the concern over the fire hazard properties of plastic foam, the application of gypsum wallboard over foam will be limited to metal furring and screw attachment. All Association literature involving board application over foam will be revised to show this limitation.

The Technical/Building Code task group reported that the Association test of the metal stud chase wall with 5/8" type X board on each side passed a one hour fire test. The task group arranged for U.L. to extend a two hour fire rating with two layers of 5/8" type X on each side. These will both be U.L. design U-420. These same chase walls were tested for sound achieving 52 and 57 STC for the one hour wall with and without insulation, and 52 for the two hour wall without insulation. It is proposed to sound test a one hour metal stud partition with two layers of 5/8" type X on one side and one layer on the other side with insulation in the cavity to achieve an STC of 50. The partition currently in the manual is rated at 45-49 without insulation, based on old "frequency values." This is a start to upgrade the sound data in the manual. The Building Code Committee has suggested a fire test of a suspended gypsum ceiling beneath wood joists, but more construction details have been requested from them so the test can be properly considered.

It was proposed that a generic listing in the Fire Resistance Manual for shaft walls be considered. The general

feeling was that the various proprietary shaft wall designs do not lend themselves to be shown generically. However, it would be advisable to have generic shaft walls from the standpoint of developing data and literature to use in competition with masonry shaft walls. It was proposed that each member company review the proprietary aspects of their own shaft wall designs and that we seek guidance from the Board of Directors regarding whether the Technical and Building Code Committees should even be considering this matter.

SECTION 4 - CONSUMER PRODUCTS

There was a brief discussion of a petition to the Consumer Products Safety Commission to ban spackling and joint compounds which contain asbestos. There was also mention of a proposed mineral fiber standard by MESA which might classify and subject slender gypsum crystals to the same limitations as asbestos fiber.

SECTION 5 - GENERAL

The latest version of "Using Gypsum Board for Walls and Ceilings" was reviewed by the committee. Further revisions are to be sent to the Secretary. We are anxious to get it into final form for reprinting.

Our Research Associate at the National Bureau of Standards, Mr. J. R. Lawson, has reported on the continuation

of the mobile home fire test program in which he has been assisting. Gypsum board has out-performed all other products used in these tests. Flashover (point at which survival is remote) has occurred at 8-10 minutes with the majority of materials other than gypsum, whereas the units containing gypsum do not flashover. This program may eventually cause HUD to establish more stringent flamespread requirements for wall and ceiling surfaces of mobile homes.

The potential heat, ease of ignition, rate of heat release and E-162 flamespread test series on various types of gypsum wallboard have been completed. These are test methods proposed to evaluate the various aspects of combustibility and gypsum board compares favorably to most other materials. The potential heat data will be available to prove that gypsum board meets the new criteria for limited combustibility which will be used by the American Insurance Associatio... The test data will be submitted for publication in either Fire Technology or Fire and Materials magazines. Mr. Lawson also participated in the type X round robin tests and has conducted a survey to gain information on fire protection subjects. The majority of respondents to the survey favored balanced protection which includes fire rated wall and ceiling assemblies. One of the important upcoming projects at the Bureau, which will be monitored by our Associate, is the research furnace fire testing which may have some future influence on the E 119 which is the ASTM standard for fire tests of building materials.

The Technical Committee has set a deadline of October 1 for all final comments and new test submissions for the Fire Resistance Manual. The final review is planned for the next Technical Committee meeting with the printing scheduled for May 1977. The Association policy concerning member company tests is being reviewed and may be formalized. It has been proposed that the reports of tests in the Manual be reviewed by a task group of member company representatives to be certain they represent current technology. The committee requests the Board of Directors' approval to have a task group review the tests currently in the Manual. Also, some concern has been expressed about generic tests in the Manual which require so called third generation fire rated boards. This is particularly true of 1/2" type X. Apparently some manufacturers are not producing a 1/2" type X board that qualifies as third generation. It is possible that the type X bench test will be the answer.

A glossary of terms relating to gypsum is being prepared for inclusion in our Association literature. It was also proposed that a chronological history of the gypsum industry be prepared. Some information will be furnished to the Promotional Committee with the request that they develop the chronology.

Respectfully submitted,

C. W. Lehnert, H

C. W. Lehnert
Chairman

SGP 0010459

REPORT OF THE
BUILDING CODE COMMITTEE
TO THE MEMBERSHIP
September 7, 1976

The semiannual meeting of the Building Code Committee was held August 3, 1976 in Ann Arbor, Michigan. Attending were representatives from six companies and members of the Association staff, including the National Bureau of Standards Research Associate and legal counsel.

A new National Building Code issued by the American Insurance Association (AIA) has finally been published, replacing the 1967 edition. It is reportedly being distributed to 1900 jurisdictions for their use. This number probably includes the many insurance rating offices throughout the United States as well.

The National Building Code is widely used by the insurance industry in evaluating building structures for rating purposes and therefore has an impact on construction across the country far beyond what influence it would have from municipalities that operate under it.

Under this building code, gypsum board products do not qualify as noncombustible, but instead are classified as "limited combustible," a new category created by the AIA. In the main, this new classification should not adversely affect

the use of gypsum board since provision has been made for use of "limited combustible" materials under all classes of construction. There are instances, however, where use of gypsum board is heavily penalized. In one and two story townhouse construction, 4-hour fire rated masonry walls are required as separation walls which is much more restrictive than the other model codes.

Instances have been reported where fire rated gypsum board separation walls were used in full compliance with the local code but not with the new AIA code, and the insurance premiums were set as much as 5 times higher than if the walls were of masonry. A proposal has been solicited from the National Loss Control Service Corporation to enlist them in gaining favorable recognition for use of gypsum board in lieu of masonry without penalties. Further information concerning this possible program will be provided in the oral report to the Board of Directors at the membership meeting.

The other three model building codes operate in an open democratic manner which permits the Gypsum Association staff to make presentations to code change committees and provide input that bears on the content of these codes. The fine work done by the staff was again apparent during our review of activities relating to these codes. Each of them, BOCA (Building Officials & Code Administrators, Inc.), SBCCI

(Southern Building Code Congress International), and ICBO (International Conference of Building Officials) reference the 1975-1976 edition of the Gypsum Association Fire Resistance Manual in their newly published building codes. Although this represents the most obvious results of staff efforts, the recognition given to gypsum products and their use under these codes is also apparent in the limited number of problems experienced by member companies where these codes are used.

The Gypsum Association maintains a number of approval cards under the ICBO to avoid the necessity of the individual member companies maintaining similar approvals with ICBO which, in the aggregate, provides a significant savings in code approval fees. The March 5, 1976 report to you included a recommendation by the Building Code Committee that the GA sponsored ICBO approval cards begin listing the member companies, subject to approval by legal counsel and the Board of Directors. At the August 1976 meeting, this proposal was again registered and your consideration of this matter is respectfully requested.

A code change currently before the ICBO would require positive furnace pressures in standard full scale fire tests. This is the first instance where this proposal has reached a code body and is of great concern. All fire test data currently in the GA manual is based on tests

having a zero or slightly negative pressure. A positive pressure requirement could make all of them obsolete. The Technical Committee was asked to supply any technical data available in support of the current practice which has been followed since establishment of the fire test standard as we know it.

Information covering many of the Federal activities that bear on the gypsum industry was provided by the Association staff representative based in Washington. The HUD Federal Mobile Home Law has placed the responsibility for interpretation and enforcement in the hands of local inspection offices. A number of questions have been raised in the field and HUD has begun issuing interpretative bulletins to clarify the intent of the standard. The staff has been involved in the development of some of these bulletins and is keeping the members fully advised as such bulletins or proposed changes develop.

The staff continues to monitor areas under the National Bureau of Standards involving energy requirements, metrication, and noise standards.

The committee was informed of activity in the United States Senate to consider legislation which would place nearly every aspect of the voluntary standardization

and certification system under federal regulation of the Federal Trade Commission, U.S. Department of Commerce and the National Bureau of Standards. Senate Bill S. 3555 has received a number of objections from voluntary standards organizations, industry, and even federal agencies to the extent committee hearings were cancelled. The staff will be monitoring any activity to advance the legislation. For the present, the bill has apparently not received enough support to advance it in the legislative process.

The Washington staff representative has been active on the American National Metric Council and we were pleased to learn that he has been installed as Chairman of a newly formed subsector committee which will bring together all manufacturers of interior and exterior finished materials as well as insulation. The objective of this group will be to coordinate the various industries concerned in metric conversion numbers which they may be considering.

There are no known fire endurance tests that have been conducted on wood frame floor/ceiling systems involving suspended drywall ceilings. Recently the California State Fire Marshal has challenged use of suspended ceilings where fire ratings are required, and insists that fire test data will be necessary to permit them. The Technical Committee fire test group will be requested to consider conducting a fire test of such an assembly.

In Texas, much construction comes under the influence of the Texas Insurance Commission. Presently, insurance penalties are frequently placed on structures if required fire rated assemblies are not U.L. listed. The Association staff has been attempting to gain recognition of the GA Fire Resistance Manual which would greatly improve the situation, but so far have been unsuccessful. However, the door remains open to possible acceptance and any support that can be provided by member company representatives could prove most helpful.

The New York City Building Code had required that stairway enclosures in apartment buildings be constructed of masonry, thereby prohibiting the use of gypsum board assemblies in such installations. Working with the New York Society of Architects, we attempted to get this requirement rescinded, but the New York City Building Department resisted the change. They finally agreed, and the code was changed to permit equivalent construction to be used in lieu of masonry. In individual attempts to gain approval for such gypsum board assemblies, the New York City Board of Standards and Appeals has stood fast in not approving them for such uses and has recommended that the gypsum industry provide data to prove equivalence.

A task group met with all members of the New York City Board of Standards and Appeals to determine what type of

testing might satisfy them, since there are no established standards for such evaluations. Following this meeting, a proposed program was developed and preliminary tests are being conducted by one of the member companies. (Of major concern to the Board was destructive vandalism and positive seals against smoke penetration.) The preliminary tests of a modified impact with a 60 lb. bag against a 3" diameter steel pipe applied to screw type stud gypsum board faced partitions indicated that double layer construction should demonstrate equivalence to gypsum block plastered on one side.

It is proposed that official comparative testing be conducted in the laboratory of a member company with an independent testing agency present to provide a final report for presentation to the City of New York. It is respectfully requested that the Board of Directors approve an expenditure of up to $4000 for this testing program.

The Ceramic Tile Institute of California was successful in gaining approval from the City of Los Angeles to allow application of ceramic tile over gypsum wallboard in bath and shower areas which has previously been prohibited. Of concern is a stipulation that joints shall be treated with tape and joint compound behind the tile which is contrary to our industry recommendations. In addition, the Ceramic Tile Institute is attempting to gain Los Angeles approval for

use of dry-set mortars as the bonding agent for ceramic tile over gypsum board which is also contrary to our recommendations. The staff is working with these organizations to resolve the matter. This subject is also under consideration by the Technical Committee.

Although not unanimous, it was the majority view of the Building Code Committee members that the Gypsum Association should actively participate in the national programs aimed toward metric conversion in the construction industry and to develop hard conversion numbers for use in exploring what would be the most desirable numbers for use in our industry.

Several gypsum board manufacturers now produce a product intended for use as an exterior ceiling/soffit board. To gain inclusion in building codes and to minimize the need of individual code approvals by the producers, it was recommended that the Technical Committee consider development of an industry standard for this product as well as industry application directions.

The many other items covered during our meeting are contained in its minutes. On behalf of the committee, thank you for your continued support of our activities.

Respectfully submitted,

J. K. Hovind, II

J. K. Hovind
Chairman

TRAFFIC COMMITTEE

REPORT OF THE

TRAFFIC COMMITTEE

TO THE MEMBERSHIP

September 7, 1976

The Traffic Committee held its summer meeting in Buffalo, New York on August 10-11, 1976.

As noted in my annual report to the membership, recent committee meetings had been poorly attended. Interest among some companies and Traffic Committee members appeared to be in a declining state. This subject was thoroughly discussed at our recent meeting which included several new committee members. All committee members have accepted the challenge to actively participate in creating a meaningful agenda with full participation in all committee activities and meetings. The committee therefore intends to continue to support two scheduled meetings each year with agendas restricted to only those subjects of significant interest to all members. Your committee Chairman is deeply appreciative of this renewed interest and cooperative spirit. The apparent support of the Association Board and staff in making this possible is acknowledged with thanks.

The following report indicated the depth of committee agenda subjects and challenges. Our "new" committee will act to achieve significant membership benefits. Legislative proposals, regulatory agency actions and carrier objectives will be carefully examined to insure that the gypsum industry continues

to enjoy high quality transportation service at the lowest possible expense. We also intend to exhibit nationwide leadership in making our positions clear whenever legislative, regulatory or carrier proposals are contrary to industry interests.

TRANSPORTATION LEGISLATION

The Rail Revitalization and Regulatory Reform Act

(PL 94-210) became law on February 5, 1976. The Act requires implementing action by railroads and the I.C.C. The Association has examined these proceedings and are currently or will shortly participate in the following: Ex Parte 320 - To establish standards and procedures for determining whether a railroad has "market dominance" over a particular service. Verified statement and reply filed. Ex Parte 324 - The establishment of standards and expeditious procedures for establishing rail rates based on seasonal, peak or regular demand. Ex Parte 326 - The revision of tariff filing rules to require that all railroad rates be incorporated into individual carrier or rate bureau tariffs within two years of their initial publication and the establishment of expeditious procedure for the publication of rates for distinct rail services.

Surface Transportation Procedural Reform Act of 1976

proposed by I.C.C. Chairman, will extend I.C.C. procedural changes contained in the Railroad Revitalization & Reform Act to motor carriers and other surface transport modes. The Association has supported this legislation through letters to Senator Magnuson and Representative Robert Jones.

SGP 0010471

Motor Carrier Reform Act (HR 10909 and S 2929) - This bill is supported by the DOT, opposed by the I.C.C. and trucking industry. It will relax regulation over the trucking industry and create greater competition and more rate making flexibility. Committee members have been polled and generally favor most portions of the bill; enactment is not anticipated during 1976. However, renewed efforts will be made during 1976. I will summarize issues and industry positions in my oral report.

Reform of Regulatory Agencies (Series of Senate and House Bills) - The administration and Conress are attempting to instigate reforms on the number of regulatory agencies, their functions, procedures and benefits. All transportation agencies (ICC, FMC, CAB, DOT) could be affected. Some of the issues involve: abolish agencies, reform agencies, Congressional review of agency actions ("Sunset" bills), appointments - agency members, budget control of agencies (including "zero base" reviews), expedite agency decisions, court review of agency actions, open agency meetings to public ("Sunshine" bills). The Traffic Committee will watch the bills and will conduct an industry survey to determine possible Association positions.

State Size & Weight Laws - Eight Midwest and Southern, and seven Eastern states require legislative action to bring state weights up to Federal standards. We have met with American Trucking Association officials in Washington to discuss

legislative strategy and in an attempt to organize widespread support letters and/or testimony before state legislatures. Bills, if enacted and followed with revised freight rates to reflect productivity gains, will significantly reduce industry freight expenses. Association support is essential and is being organized.

Federal Size & Weight Laws - A new bill is being drafted by the American Trucking Association that will, if enacted, provide use of multiple axle vehicles and permissible weight well in excess of 100,000 pounds, 102 inch wide loads and use of double trailers. The Traffic Committee will watch for this bill; it will again create opportunities for significant freight cost reductions.

Cargo Claims Adjustment Act (S 1967 - HR 12491) - These bills will provide for more expeditious claims settling procedures and provide shippers with greater security against monetary loss. The Traffic Committee has supported the bills.

Attorney Fees - Successful Loss and Damage Claims (HR 13353) - The law presently does not permit shippers to obtain legal fees involved in prosecuting loss and damage claims. Some carriers take advantage of this fact by demanding compromise claim settlements which shippers sometimes accept to avoid legal expenses. The Traffic Committee will support the bill to eliminate this abuse.

Public Participation in Government Proceedings Act of 1976 (HR 13901 and S 2715) - will permit awards of reasonable attorney fees and other expenses for public participation in proceedings before federal agencies. The Traffic Committee will develop a position. This legislation could be detrimental to our industry.

Inland Waterways - Lock and Dam Project on Mississippi River near Alton, Illinois (S 3506, S 3425 and HR 14485) - Considerable controversy exists on the need for a new lock and dam near Alton, Illinois. Issues involve deepening from 9 to 12 feet, a longer facility, the effect on the environment and railroad business losses. The issues will be examined by the Traffic Committee for possible position and action. Railroads are opposing. At issue is a multimillion dollar expense borne by taxpayers and questionable need.

Rail Freight Rate Increases - Rail rates continue to increase rapidly. Rates were last increased effective March 2, 1976. Holddowns were authorized on gypsum products in several sections of the country. Holddowns were advocated by the Association.

Products	STCC No.	Within East	Within South	Within West	Inter-Territorial
Gypsum Wallboard	32-754	7%	None	None	None
Plaster & Lath	32-751	7%	7%	None	7% E&S
	32-753 *				None W&E
	32-759				None W&E
Ground Gypsum	32-956	7%	7%	7%	7%
Gypsum Rock	14-911	7%	7%	7%	7%
Gypsum Bd. Paper	26-217	7%	None	None	None
Pulpboard	26-3	7%	None	None	None
Paper Bags	26-43	None	None	None	None

* None - portions of West

Railroads are now requesting that a 5% increase be applied on all shipments where previous holddowns or no increases were approved. Anticipated effective date is October. An additional rate increase (5 to 7%) will probably be requested in late 1976 for an early 1977 effective date. The Gypsum Association plans to oppose both increases. Due to procedural matters and ICC indecision, the last increase provided only two days' notice to shippers between the final ICC order and effective date. This notice is inadequate for planning and to achieve rate bulletins and other changes within industries. I have met with railroad and ICC members to discuss this problem. If not resolved, the Association in cooperation with the National Industrial Traffic League, plans to take legislative action to correct.

Motor Carrier Rate Increases - As a result of the new national teamster labor agreement, effective April 1, 1976, numerous common as well as contract carriers have requested rate increases. Such increases are subject to negotiations between carriers and individual companies.

Motor Carrier Investigations - Regulatory Agencies - The ICC and FHA are conducting a number of investigations concerning motor carrier practices and regulations. The Association has, or will become active in those that affect our industry, including Vehicle Detention Rules and Charges (Ex Parte MC-88), could drastically increase freight expense. Hours of Service - Drivers and Other Employees (FHA Docket MC-70, Notice 76-4) - if approved, the rules could increase carrier cost by 30% or more. The Association will oppose. It has been recommended that each company encourage their key motor carriers to also actively oppose. Qualifications of Drivers (FHA Docket MC-72, Notice 76-11) would relax present rules involving drivers who have experienced heart difficulties. The Association will watch but take no direct action. Noise Standards (EPA Rules) - the Association staff is keeping the committee advised of EPA regulations for possible committee action. Commercial Zones (Ex Parte MC-37 Sub 26) - proposals to expand metropolitan areas which are exempt from ICC regulations and/or used for application of rates. Insurance Requirements (Ex Parte MC-5 and 159) - the ICC has revised minimum insurance amounts for all for-hire motor carriers

and freight forwarders. Adequacy of Motor Carrier Revenues (Ex Parte MC-82) - could result in ICC imposed minimum rates of return for for-hire carriers and hinder negotiations with individual carriers.

Railroad Investigations (ICC) - The Traffic Committee has involved itself in the following: Rates for Recyclable and Recycled Materials (Ex Parte 319) - could influence scrap paper rates. Procedures for Governing General Rate Increase Proceedings (Ex Parte 290) - would require additional data from railroads to justify rate increases. Demurrage Charges (Ex Parte 289) - A complete review of demurrage charges and practices. Rail Service (Ex Parte 270 Sub 2) - general investigation concerning the adequacy of railroad service throughout various sections of the country.

General Investigations - Following are the major general investigations being monitored by the Traffic Committee: Expedited Procedures to Obtain Freight Rate Increases Involving Higher Fuel Costs (Ex Parte 311); Regulations for Payment of Freight Charges (Ex Parte 73 and MC-1) - would make more rigid credit requirements, some of which would involve difficult industry compliance.

MISCELLANEOUS ACTIVITIES

Metrication - The transportation industry has been slow in their planning to achieve the national metrication objectives. Various carrier and regulatory agency committees have been recently formed. The Association staff and the Traffic Committee will carefully watch developments and participate when advisable.

Standard Transportation Commodity Codes - STC Codes are used as a basis for many freight rate applications, including railroad general freight rate increases and holddowns. Changes are required on ground gypsum, plasterboard joint system and by-product gypsum. Proposals for desirable changes will be progressed.

Bulkhead Flatcars:

Equipment Design - Some railroads are purchasing cars 60'6" between bulkheads capable of transporting loads weighing in excess of 180,000 pounds. The Association wrote to 106 railroad executives and seven manufacturers, providing specifications required for successful gypsum board loadings.

AAR Loading Rules - It will continue to be the Traffic Committee objective to obtain desirable rule modifications in the future.

Materials Handling Manual:

Truck Loading Section - The committee is opposed to the inclusion of any truck loading section that reproduces suggested industry practices or "edited" versions of federal loading regulations. The committee will continue to cooperate with the Materials Handling Subcommittee to arrive at an acceptable truck loading section. All proposals should, in the opinion of the Traffic Committee, be accompanied with details of the purpose and benefits, as well as Association legal comments and opinions.

Additional items of interest and a highlight discussion and update of some subjects in this report will be presented in my oral report to the membership at the semiannual meeting.

Respectfully submitted,

Harry D. Gobrecht, II

Harry D. Gobrecht,
Chairman

PROMOTIONAL COMMITTEE
TRADE RELATIONS

REPORT OF THE

PROMOTIONAL COMMITTEE

TO THE MEMBERSHIP

September 7, 1976

The Promotional Committee is holding its next meeting October 5, 1976, the day preceding the semiannual meeting, at Napa, California. A full report on activities will be presented in an oral report to the membership at that time. Highlights of current committee activity follow:

MOBILE HOMES

Since it is felt that the mobile home industry represents the most important new market available for the use of gypsum products, the Promotional Committee has been concentrating its efforts in this area. It is estimated that the conversion of this industry to the use of gypsum board for interior walls and ceilings could mean a new market of over one billion square feet of board a year, an increase of almost 10 per cent in industry volume.

The Promotional Committee has been pursuing means of expediting this changeover. The federal standard calling for a flame spread rating of 25 around water heaters and furnaces, 50 around kitchen ranges, and 200 on walls and ceilings went into effect June 15, 1976. A 200 flame spread rating is not sufficient to bring about a changeover to the use of our product. It should be noted that HUD has specifically stated it will

modify the Mobile Home Standard as new data becomes available. The National Bureau of Standards is continuing its own fire tests and the Gypsum Association will continue to supply any pertinent information released to us by the companies. It should be realized, however, that a reduction in the flame spread requirement is a problematical thing and that bureaucratic administration moves slowly. As a matter of fact, there are indications that there are problems now in setting up the necessary machinery and procedures to administer the present mobile home federal regulations.

With this in mind, the Promotional Committee has been developing programs aimed at emphasizing the advantages of using gypsum board in the marketplace. Our three chief interested audiences were determined to be mobile home manufacturers, mobile home dealers, and potential buyers.

Our initial efforts were directed at the manufacturers and were outlined in the annual report to the membership. They included a joint meeting with the Manufactured Housing Institute and some of the largest manufacturers to discuss their needs and the problems involved in conversion. Since that last report, several other actions have been taken: The Association staff has made personal contact with mobile home manufacturers at every opportunity, both at trade shows and at the manufacturers' headquarters and plants, to discuss

the advantages of our products and the HUD standard and its possible future amendments. This includes personal talks with at least 13 of the 15 largest coach manufacturers. Our Washington office has also talked with technical representatives of virtually all of the top 15 manufacturers.

Four mailings have also been made to all manufacturers. These mailings, containing appropriate information and Association publications, have gone to an updated list of 450 manufacturers and their key plants. A series of publications entitled: "Manufactured Housing Recommendations" was instituted with the able assistance of the Materials Handling and Technical Committees in order to provide the manufacturers with answers to some of their specific questions. The first of these, "Warehouse Storage of Gypsum Board," has been completed and two others are in preparation.

The Association is also actively assisting those manufacturers who are already using our products in their mobile homes, the rationale for such assistance being that if these companies are successful in their use of our products, others will follow.

The Association has also made a standing offer to the Manufactured Housing Institute to meet with them at any time to help resolve any difficulties they may encounter.

The Promotional Committee has also been working on other possible programs that would hasten the conversion of the mobile home industry to the use of gypsum board, programs that would also influence the dealer and buyer. Considerable research, discussion and evaluation on the part of the committee and staff has gone into this subject and at the last annual meeting the committee received a $5,000 budget for the preparation of a promotional program to include TV commercials and a movie, with the understanding that the committee would later request an additional overbudget recommendation of $30,000 to $35,000 for completion of the program. Both the film script and the TV commercials resulted from specific requests of mobile home manufacturers.

The shooting script for the movie, tentatively titled "Time to Live," is now completed and two 30-second TV commercials have been produced. These will be presented at the semi-annual meeting with a request for the additional funds needed to complete the project. A subsequent meeting of the Promotional Committee was held to evaluate these two projects.

The film is intended as one which can be used by mobile home manufacturers to help motivate their dealers to carry gypsum board homes and for use by the dealers themselves to sell gypsum board homes to potential buyers. It is also intended as a valuable aid to member company personnel in their dealings with

individual mobile home manufacturers. Even though the film includes mobile homes, it has been deliberately kept general enough to still be appropriate for use with building officials, architects, schools, etc.

In reviewing the TV commercials, a lengthy and in-depth discussion developed. It was felt that the commercials were extremely effective and might better serve as the prime element in an aggressive Gypsum Association promotional campaign, rather than simply be distributed to the member companies for their individual use as was the original intention for the commercials. It was felt that this campaign could be carried out at minimal expense and maximum results as an Association program. The committee then spent considerable time outlining the elements it felt should be included in this program. The staff was directed to prepare a finished outline of the program, including a breakdown of costs for each member to review with his company's Director. It has subsequently been decided that this proposed program be presented to the membership at the semiannual meeting, along with a request to the Board of Directors for the necessary funds to carry it out.

LITERATURE

The first 10,000 copies of our new gypsum sheathing brochure have been distributed and it has already been reprinted. Approximately 5,000 copies were mailed to building

officials all over the country, and news releases distributed to more than 100 trade magazines and newspapers announcing its availability.

A new promotional brochure listing all Association publications and visual aids has been prepared, printed and is in circulation. This brochure reflects the review conducted by the committee which resulted in the elimination of 19 items which had either become outdated or were consolidated into other publications. It should also be reported that the cassette program prepared by the Association to better familiarize member company personnel with the Fire Resistance Manual has been widely circulated among the member companies and is expected to lead to an even more effective use of this most important document. To date, some 43,000 copies of the current manual have been distributed.

The proposed revision of "Using Gypsum Board for Walls and Ceilings" is currently receiving its final review by the Technical Committee and is expected to go into production shortly.

A revised outline of the "Study and Use of Gypsum" architectural slide program has been prepared with the consultation of an experienced architecture professor from the University of Illinois Circle Campus, and the professor is presently researching specific elements to be added to the program.

TRADE RELATIONS

It has already been reported to the membership that the merger of iaWCC and GDCI has been finalized and the resulting organization is now known as iaWCC/GDCI. The Gypsum Association is working actively with the new organization. Association staff members took an active part in the group's four regional seminar meetings in Missouri, Wisconsin, Massachusetts and California. In each case, we presented a revised version of our Fire Resistance Manual orientation program to make their members more aware of the book's importance and the ways it could help them in their work with building officials, architects and general contractors.

It is also planned that the Association will participate in the first iaWCC/GDCI annual meeting in New Orleans in February 1977. A report on the nature of that participation will be given at the semiannual meeting.

Respectfully submitted,

J. E. Ross
Chairman

SGP 0010488

REPORT OF THE

MANUFACTURING AND MINING COMMITTEE

TO THE MEMBERSHIP

September 7, 1976

The Manufacturing and Mining Committee will hold its next meeting at Napa, California on October 5, 1976. That meeting is subsequent to the preparation of this report, but prior to the semiannual meeting where our supplemental oral report will be presented.

Activities of the Manufacturing and Mining Committee continue to primarily follow legislative making and standards development programs affecting gypsum manufacturing and mineral extraction operations. Brief highlights of some of the committee's major activities follow:

ENVIRONMENTAL MATTERS

The committee, through the Association staff, continues to monitor federal air emission and water discharge programs of the Environmental Protection Agency. Of prime interest at this time to the committee is the future progress of the Clean Air Act Amendments proposed in H 10498. Individual member company constituent contacts have been made in an effort to delete the "provisions to prevent significant deterioration" as is contained in this proposed legislation. S 3219 passed the Senate August 5, 1976 without adopting any significant amendments.

The Clean Water Act Amendments, H 9560, currently in the mark-up stage of the U.S. House Public Works Committee, is a bill to amend the Federal Water Pollution Control Act, and is limited in scope, amending only those sections of PL 92-500 dealing with funding and compliance schedules for publicly owned treatment works, discharging of hazardous substances and U.S Corps of Engineers' fill permits. Initial review of this legislation discloses that there is nothing at this time which would have a significant impact on the gypsum industry. Since future review of this Act is anticipated by the Council on Environmental Quality, we plan to continue to closely watch this activity and future provision developments relative to our industry operations.

The Association filed comments with the Environmental Protection Agency relative to the VerSar Rainwater Runoff Study. E. P. Hall, EPA acting director, in a letter dated May 25, 1976, confirmed that additional interim final regulations, to be achieved by July 1, 1977, proposed new source standards; and 1983 regulations which were promulgated June 1, 1976, would not contain regulations which would control surface area runoff for gypsum. Interim final effluent guidelines and new source performance standards for mineral mining and processing were published June, 1976. The guidelines in this EPA publication should have no significant impact on the gypsum operations.

The PedCo Environmental Company of Cincinnati, Ohio is under contract with the EPA to study air emissions in the gypsum mineral extraction crushing, screening and conveying operations. As a part of their study, PedCo visited The Flintkote Company, Las Vegas, Nevada operation and this industry facility visitation has been the only one to date. At this time it appears that one of the major objectives of the PedCo study will be to project 1985 air emission control targets for our industry, using 1975 data as a base year. The Gypsum Association has been assured that they will be permitted to review PedCo's draft study prior to submission to EPA.

ENERGY

The Association continues to compile industry energy consumption data for reporting to the Department of Commerce under their Voluntary Energy Conservation program. The industry first quarter 1976 BTU per MSF board energy consumption figure of 2.993 will be contained in the U.S. Department of Commerce's "Progress Report No. 4" which should be distributed to participating industries early September, 1976. It is interesting to note that the 2.993 BTU/MSF board first quarter figure was distributed into the three industry operational classifications as follows:

Crushing and Drying	6.6%
Calcining	24.3%
Board Processing	69.1%

The industry downward trend in consumption continues.

The second quarter energy consumption figures just compiled show a 2.895 BTU/MSF board for the quarter. I will comment further on this program in my oral report.

Battelle Institute, under contract to the Federal Energy Administration, has collected industry data to be used by the Federal Energy Administration to develop energy efficiency improvement targets for the SIC 32 industries, of which gypsum board manufacturing SIC 3275 is part. It is anticipated that we will be receiving feedback on the results of this study from the FEA which will probably take the form of assigned energy efficiency improvement goals for our industrial operations. Additionally, the Association has just been contacted by the Institute of Gas Technology, working under contract for the U.S. Energy Research and Development Administration (ERDA). The IGT has solicited the cooperation of the Gypsum Association relative to the collection of industry energy conservation data, research and development techniques and on-site plant visitations. ERDA recommendations resulting from this study is to be shared with all cooperating industries through ERDA sposored seminars.

SEVERANCE TAX

The State of Utah has under consideration a mineral severance tax to support educational funding in the state.

Association staff and Utah managers have attended initial committee hearings on the proposed severance tax and report that legislative activity appears imminent when the Utah legislature convenes in January 1977. This activity (in all states) will continue to be monitored by the Association with appropriate action taken as deemed necessary.

SAFETY LIAISON

The Manufacturing and Mining Committee continues to review Safety Committee programs and recommendations, and have launched constituent communications on HR 13555, "Mine Safety and Health Act of 1976." Our industry's views requesting the retention of mine safety by the U.S. Department of Interior and objection to the inclusion of the various collective bargaining issues proposed in this federal legislation, are reportedly shared by many of the legislators in response to our active communications program. Unfortunately, as a result of intensive union lobbying, HR 13555 passed the House and is to be acted on in the near future by the U.S. Senate. A renewed industry constituent letter writing campaign is under way in an attempt to defeat the bill in the Senate.

Several new or revised mine safety standards of interest to our industry mining and quarrying operations are currently under consideration by the Mine Enforcement Safety Administration (MESA) Advisory Committee. Association representation appears to be an important communications channel

through which our industry views can be presented to the Advisory Committee membership. This activity, which heretofore has been handled on a "need to" basis, will be completely reviewed at the next meeting of the Manufacturing and Mining Committee so as to establish an operational procedure by which Association staff can recruit member company talent to present technical testimony in support of our industry's position.

In connection with the MESA Advisory Committee activity, MESA has just submitted to the Advisory Committee for their approval, several proposed health standards. Of prime interest at this time to our industry is one such proposed health standard which, if passed, would ban employee exposure to any mineral fiber in excess of the two fiber level. It is readily apparent that this proposed MESA standard, which would apply to all mining, quarrying and milling operations, could create unnecessary burdens on our industry. A special meeting of the Manufacturing and Mining Committee was held to determine the posture of the Association with respect to the proposed MESA mineral fiber standard. The recommendations developed at this special meeting propose an active Association program to hire a consultant laboratory to collect data in the industry relative to potential mineral fiber exposures in the mining, quarrying and plant crushing and grinding operations. Additionally, the committee task force assigned to interview and hire the environmental consultant will also develop an industry questionnaire form to

compile any noted medical cases from the membership.

The details of these recommendations and additional items of industry importance are to be further discussed at the October 5, 1976 committee meeting and will be presented in my oral report, together with budgetary requests, at the membership meeting.

Respectfully submitted,

H. E. Beard

H. E. Beard
Chairman

MATERIALS HANDLING
SUB COMMITTEE

SGP 0010496

REPORT OF THE

MATERIALS HANDLING SUBCOMMITTEE

TO THE MEMBERSHIP

September 7, 1976

The Materials Handling Subcommittee continues to stand ready to work on industry materials handling projects as assigned by the Manufacturing and Mining Committee, and as the need arises. Current committee activities cover the following areas:

MATERIALS HANDLING MANUAL

Review and update of the materials for inclusion in the industry Materials Handling Manual is a primary function of the committee at this time. Completion of committee assignments have resulted in the publication of the revised Association of American Railroads' Figure 101, Section 5, and the fork tine specifications. Development of loading configurations covering paper rolls on truck, joint compound pails on truck and board products on truck has been held in abeyance at this time. Metric measurements are being incorporated into the manual publication where appropriate.

OTHER COMMITTEE ACTIVITIES

The committee, through the Association staff, continues to monitor the activities of the Association of American Railroads relative to industry rail movements. New developments in this area will be immediately reported to the membership as they occur. Other AAR publications relative to the movement of paper roll products, under the proposed American Paper Institute recommendations are also under surveillance.

The committee task force has worked closely with the Gypsum Association staff in the development of a brochure entitled: "Warehouse Storage of Gypsum Board" for distribution to mobile home manufacturers. Five thousand copies of the brochure has been printed for distribution and copies will be on display at the semiannual meeting for your perusal. Additionally, the committee task force will be reviewing development of yet another mobile home brochure relative to the use of fork lift equipment in handling mobile home gypsum board.

Current matters of industry importance in the Materials Handling area, along with any proposed future activities that may develop, will be reported orally at the semiannual meeting.

Respectfully submitted,

J. R. Watt, H

J. R Watt
Chairman

