

# HUNTON & WILLIAMS

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November 12, 1998

PLAINTIFF'S EXHIBIT

RMC-679

## Via Facsimile

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## Cody v. Reynolds: Meeting in Birmingham

Dear Chris:

Here is a very brief agenda for our meeting on Monday. I have shared the agenda with Dr. Berent, but I have not shared it with Dr. Boll for reasons of privilege and confidentiality. Although the agenda is general and not harmful, I thought perhaps you could share it orally with Dr. Boll and avoid any complications.

I look forward to seeing you on Monday morning. Best regards.

Sincerely,



Harry M. Johnson, III

HMJ/abc  
Attachment

cc: Mr. Homer C. Cole  
Patrick R. Laden, Esq.

RMC080014010020743

## Overview of Health and Safety Non-Compliance INEA

| Potential Liability            | Code     | Description/Issue                                                               | Spanish regulation | Cost estimate<br>US\$(000) |
|--------------------------------|----------|---------------------------------------------------------------------------------|--------------------|----------------------------|
| Health and safety              |          |                                                                                 |                    |                            |
| Fire protection                | I - 1.9  | Separation of sprinkler system with VAW                                         | x                  | 7                          |
| fire resistant wall to INASA   | I - 1.3  | potential for break-through of Mill fires                                       |                    |                            |
| Below the hook lifting devices | I - 1.4  | failure, not legal, also racklift devices                                       | x                  | 40                         |
| hoisting equipment             | I - 1.4  | survey, homologation and renewal of tools                                       | x                  |                            |
| Noise reduction                | I - 7.0  | none exists                                                                     | 50%                | 65                         |
| Equipment guarding             | I - 9.0  | equipment inadequately protected, no detail plan                                | x                  | 200                        |
| Fall protection/prevention     | I - 13.0 | no program exists, means are lacking/inadequate                                 | 50%                | 85                         |
| Remelt roof                    | I - 14.0 | fall potential and water leaking on Molten Metal                                | x                  | 80                         |
| EXPENSE                        |          |                                                                                 |                    |                            |
| below hook lifting devices     | I - 1.4  | renewal slings , eyebolts and chains                                            | x                  | 40                         |
| Maintenance Electr.System      | I - 1.6  | repair and compliance of High Voltage system                                    | x                  | 25                         |
| Haz. materials information     | I - 7.0  | No system for gathering MSDSs and providing info to employees - PPE hardly used | x                  | 5                          |

### Explanation to the several Items:

**Fire protection:** (I - 1.3/I - 1.9) : The wall between the two companies INEA and VAW has some weak areas (doors and windows) in fire resistance towards the requirement of one hour or more in case of a mill fire. The actual sprinkler system does not provide means to separate INEA temporarily for Maintenance/Services. The minimum needed is installation of two additional valves in the mains (separation cost: \$15,000 for installation of fire resistant wall and separation of sprinkler system). (Operating permit requirement)

**Hoisting equipment** (I - 1.4) : Spanish and European legislation require adequate tools and means for hoisting materials. Adequate means certified for the load. Racks are foreseen with own made welded rings, uncertified eye-bolts are used, self-made welded jigs and beams that are not heat treated nor certified. Maintenance crane has been shortened and the steel structure is welded, not heat treated etc. (Orden 9, March 1971 - on general security and hygiene, Chapter 10, art. 100-226, Buletin del Estado 16/17 March 1971)

**Noise reduction** (I - 7.0): Noise levels are above 90 dB(A) at three presses, saws and in the remelt facility. According to Spanish and European laws the company has to have an active reduction program to reduce industrial noise at those levels based on the Hygiene Principal e.g. reducing in the following sequence: a) take out the source, b) shielding source, c) shielding employees and if no other means are possible d) oblige employee to wear PPE. (Real Decreto 1316/89 of 27 October 1989 on the protection of workers from the risks related to noise at work), Buletin Oficial del Estado 263 of 2 November 1989, page 34428)

**Equipment Guarding (I - 9.0):** European 89/392/CEE and Spanish laws require that equipment should be protected or shielded for hazardous movements. New equipment has to have a so called CE-mark, old equipment needs to be assessed and modified with protection devices. Inea has started with a general assessment, but not implemented on the equipment (Real Decreto 1435/92 of 27 November 1992 on machine guarding, Buletin Oficial del Estado numero 297 of 11 December 1992).

**Fall Prevention (I - 13.0) :** No proper assessment has been done towards fall risks, more over hazardous situations exists at stairs without railings, unprotected platforms, openings in floor/pits and insufficient guarding around truck loading. No protection for roof lights, roof access etc. According the General Safety Law of 1996 these hazards should have been assessed and implemented (Ley 31/95 of 8 November 1995 on the Prevention of Risk at Work, Boletin Oficial del Estado numero 269 of 10 November 1995, page 32590).

**Roof of Remelt Facility (I - 14.0) :** The roof of the remelt facility is leaking rain / storm water at several places, also the windows at the backside and above the melting furnace. Water on/near Molten Metal creates a severe risk of an explosion. All people working with the Molten Metal know that. This potential risk should have been addressed and eliminated according the General Safety Law of 1996.

**High Voltage System: (I - 1.6) :** According to an infrared investigation report of 1995 considerable weak spots (11 out of 17 samples) were found. No evidence could be found that the weaknesses were repaired and INEA or INASA has put a rigid preventive electrical maintenance plan in place with the adequate personnel (INEA) to switch or to repair those (potential) electrical failures. High Voltage systems in Europe require a strict policy and program towards Electrical Safety, Maintenance and Training (Hartford Steam Boiler Inspection and Insurance Company report, November 20, 1995).

**Hazardous Materials: (I - 7.0) :** Material Safety Data Sheets (MSDSs) have not been provided or distributed to inform and protect the users from the hazards. (Chlorine, Ammonia, Caustic Soda, Salt in remelt operation with Fluor) European Law requires that all chemicals are provided with the MSDS in the local language, informing with Risk and Safety sentences, indicating type of hazard and the proper personal protective equipment. (Directive 79/831/EEC;