PLAINTIFF'S EXHIBIT
AIA-97

ASBESTOS INFORMATION ASSOCIATION
NORTH AMERICA
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BOARD OF DIRECTORS MEETING

June 10, 1976

Stouffer's National Center Hotel Arlington, Virginia

Pursuant to notice, a meeting of the Board of Directors was held June 10, 1976, in Stouffer's National Center Hotel, Arlington, VA.

The following Directors were present:

John Autry (for Dimitry Poutiatine)	Johns-Manville Corp.
George Barge	Atlas Asbestos Company (Montreal)
Joseph M. Ciskowski	Jim Walter Research Corp.
William Clark	Asten-Hill Ltd.
Thomas A. Dougherty	Certain-teed Corporation
Dennis E. Eldred	Vermont Asbestos Group
William Fassuliotis	GAF Corporation
A. H. Fay	National Gypsum Co.
Clarence A Herbst, Sr.	Resinoid Engineering Corp.
John W. Hollingsworth	Dresser Ind. (Magcobar Div.)
A. R. Hooker	The Flintkote Company
C. G. Morgan	North American Asbestos Corp.
Robert B. Pilmer	Garlock of Canada, Ltd.
J. L. Rainey	Amatex Corp.
Kurt Schwarz	Supradur Manufacturing Co.
Martin J. Sendecki	Congoleum Industries, Inc.
D. Tijumelis (for T. K. Lindquist)	Borg Warner Corp. (Borg & Beck Div.)
C. Fred Workman	Nicolet, Inc.

Also present: Guy G. Gabrielson, Jr., Nicolet, Inc., Chairman, Asbestos Regulation Task Force; William B. Hoffman, National Gypsum Company; C. F. Wilson, Esq., Jim Walter Research Corp.; Joseph A. Artabane, Esq., Cadwalader, Wickersham & Taft; R. H. Mereness, Executive Director, AIA/NA; and B. J. Pigg, Administrative Assistant, AIA/NA.

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Introduction

The meeting was called to order at 9:01 A.M. Mr. Dougherty stated that Mr. Noel W. Hendry, Johns-Manville Corp., had advised his assignment to General Manager, Mining Division, a position that would preclude his further active service on the Board. On motion, Mr. Dimitry Poutiatine was elected to succeed Mr. Hendry as the Johns-Manville representative. Mr. Dougherty expressed appreciation for the outstanding contribution Mr. Hendry had made to the Association.

Minutes

On motion, minutes to the preceeding meeting, March 26, 1976 were approved as submitted.

Financial Report

Mr. Barge reviewed the financial report (provided in folders) for five months ending May 31, 1976. He projected income and expenses for remainder of calendar year noting most line items to be within current budget except for printing and OSHA task force expenditures. He said expected publication inventory sales and budget accrual should result in an end-year balance for these items. As of May 31, 1976, the Association had a cash balance of $27,541 plus accounts receivable, prepaid insurance and expense for a total of $54,850. Total liabilities were $39,450 for a net worth of $15,400. Mr. Barge said he would address certain considerations pertaining to the current budget as a later order of business.

Nominating Committee

Mr. Dougherty explained the requirement for election of Association officers at the annual meeting in September. The following were appointed to serve on the nominating committee: George Barge (chairman), W. H. Beasley, J. L. Rainey, and Kurt Schwarz.

Remarks of the Executive Director

The physical layout of the new Association headquarters were described noting that adequate space was now available for meetings of 15-20 people and that there was significant work and storage space for present and anticipated needs.

Attention was invited to the Court order in folders dismissing the Association as a defendant in the case of Shoup vs. Johns-Manville Products Corp. et al. Attorney's fee of $2,510.30 was submitted by the law firm of Kirr, Wattles, and Russell, Detroit, Michigan, and will be billed through AIA/NA's counsel, Cadwalader, Wickersham & Taft.

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Roy F. Weston, Inc., firm that prepared the technological feasibility and economic impact study in support of the Association's response to OSHA on the proposed asbestos standard, proposed they be retained on a consulting (minimum contract) basis at a cost of $8,000 per annum. The Executive Committee at a meeting May 25, 1976 considered and declined this proposal. Weston has been so advised.

The CONSAD Research Corp's Inflationary Impact Statement (IIS) on the proposed revision to the asbestos standard has yet to be submitted in final form to OSHA. Submission is due in 2-3 weeks. "Best information" now indicates public hearing on the standard will not be before September. Contract for necessary IIS on forthcoming proposed asbestos standard for construction industry has not been let by OSHA. CONSAD has submitted a preliminary work statement.

A report was given of an EPA news conference held April 30 concerning asbestos in drinking water of selected U.S. cities in study conducted by McCrone Associates. A listing of all federal government contracts for asbestos-health studies is being prepared.

Among on-going special projects mentioned were: revision of Asbestos and Health" booklet; development of a recommended work practices booklet on asbestos containing sealants and gaskets; revision of the pamphlet, "Asbestos and Brake Linings"; and publication of J-M prepared "Recommended Safety Practices for Handling Asbestos Fiber" and "Asbestos Occupational Health Guide" under AIA/NA signature. Directors were encouraged to make use of the pamphlets and other informational/educational materials available from the Association, including recently prepared excerpts (forwarding letter, summary and recommendations, and medical statement) from the Association's response to OSHA on the proposed revision to the asbestos standard. All are available in quantity.

Several news clippings were brought to the attention of Directors as examples of continuing adverse reporting on asbestos usage. Mention was made of the recently announced merger proposal fo the National Association of Manufacturers and U.S. Chamber of Commerce. AIA/NA enjoys good working relationships with these organizations.

Ratification of Actions

Mr. Dougherty stated the ballot response of members to the proposed establishment of an AIA/NA sponsored program for legal assistance (hereinafter known as Legal/Medical Research Program) in defense of litigation alleging injury because of exposure to asbestos fiber as presented to Directors at meeting March 26 was highly favorable. In addition, he set forth the reasons for increased office space requirements for the Association and that the Executive Director had negotiated a five-year lease

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effective as of June 1 with his approval. He explained the necessity for ratification of these actions and read the following statement:

> "Resolved that all the actions of the officers, agents and attorneys for the corporation with the date hereof are ratified and confirmed in all respects regarding the following: the formation of a program to develop a legal and medical bank of information for use of the membership and the authorization of the Executive Committee to form a Legal/Medical Research Committee to oversee the program and, secondly, to execute the lease for the new office premises."

Comments and/or questions were invited. On motion, the above resolution was approved.

Mr. Dougherty announced that the following had agreed to serve on the Legal/Medical Research Committee:

Guy G. Gabrielson, Jr., Nicolet, Inc, Chairman
Dennis H. Markuson, Johns-Manville Corp.
C. F. Wilson, Jim Walter Corp.
Wolfgang A. Guenther, Raybestos-Manhattan, Inc.
John H. Chidester, Brunswick Fabricators, Inc.
C. J. Pontz, Certain-teed Corp.

Legal/Medical Research Program

Mr. Gabrielson noted title "Legal/Medical Research Program" better defined the work and objectives for this effort than "Legal Assistance Program" as originally identified. He referred to the sequence of events leading to formalization of this program with Cadwalader, Wickersham & Taft and stated the arrangement could be terminated at any time. He cited preliminary work being done by Wendell B. Alcorn, Esq., of Cadwalader, In this connection , he emphasized advantages for developing state of medical art defense and referred to efforts expended to obtain professional expertise to prepare a comprehensive paper on chronology of medical knowledge regarding asbestos-related diseases. Mr. Gabrielson said Philip E. Enterline, Ph.D., Professor of Biostatistics, University of Pittsburgh, had agreed to work on this project. Dr. Enterline has recommended Ian T. T. Higgins, M.D. of the University of Michigan as a participant and stated that a doctoral candidate at the University of Pittsburgh would be available to assist. Mr. Gabrielson said Dr. Weill concurred in the Enterline-Higgins team. Dr. Enterline estimated completion of the paper by year end at cost of about $6,000. Estimated cost of the overall program remains at $50,000.

A discussion period followed. Mr. Gabrielson said it would facilitate the work of Mr. Alcorn if he could have ready access to information concerning asbestos-related legal cases and

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Directors were requested to so inform their representative attorneys and urge their cooperation. He also said Mr. Alcorn would not serve as counsel for any AIA/NA member company in order to avoid any conflict of interest. Mr. Artabane said he would provide the Executive Director with examples of data available from Mr. Alcorn and estimated costs for use by members.

Mr. Dougherty expressed appreciation to Mr. Gabrielson for his outstanding contribution to the development and establishment of this important program of the Association

Report on Meeting of Asbestos Subgroup, OSHA Advisory Committee on Construction Safety and Health, June 2-3,1976 San Diego, CA

In addition to an Association team of Mr. Gabrielson, Dr. Weill and Dr. Rhodes, a team from Johns-Manville including Dr. Rotin, Dr. Chase, Milt Trosper, and Dick Carter attended the meeting and made presentations. Reporting on the meeting, Mr. Gabrielson said we can not afford to ignore what happens in the construction industry; there is a need for a uniform asbestos standard for both manufacturing and construction industries. The need has world-wide implications. He commented on the identity of the subgroup members and OSHA representatives. The methodology used by the subgroup was to review the proposed general industry standard item by item and attempt to ascertain applicability to the construction industry in conjunction with their recommendations as submitted to OSHA of September last. The subgroup reaffirmed their position that a 2-fiber p/cc asbestos standard should be established for the construction industry and "tailored" or eliminated sections of the general standard that were thought unrealistic for the construction industry. The subgroup will present its recommendations to the full OSHA Advisory Committee on Construction Safety and Health which in turn will formally submit to the Ass't Sec'y of Labor (OSHA). Meeting of full committee to hear subgroup report was announced in Federal Register of June 11 to be held June 29-30, Washington, D. C. AIA/NA memo dated June 14 refers.

Mr. Gabrielson said he considered the greatest opportunity for an impact on an asbestos standard for the construction industry would not come until a formal proposal is issued by OSHA after reviewing the Committee report. He said the Association should start its response planning now. In this connection, he had recommended and the executive committee approved establishment of an Ad Hoc Committee for Construction under co-chairmanship of Dr. H. B. Rhodes. Dr. Rhodes is authorized to seek additional committee members, in consultation with the Standards & Technical Committee and other experts in the construction industry, and recommend full committee membership to the Executive Committee. Mr. Dougherty invited nominations from directors for membership on the AIA/NA Ad Hoc Committee for Construction.

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Revision to Asbestos Standard

Mr. Gabrielson reviewed development to date and current status of OSHA's proposed revision to the asbestos standard. He pointed out that AIA/NA had recommended deferral of issuance of the general industry standard until promulgation of a regulation for the construction standard. OSHA officials have indicated that this is not politically feasible. He said the issue of seeking an injunction against OSHA to force a delay of the general industry standard until a regulation for the construction industry is promulgated had been raised by Johns-Manville Corp. The Executive Committee had concluded that AIA/NA would not seek such injunction, the consensus being that uncertainties confronting the general industry should be resolved as soon as possible because of the adverse effect now taking place in customer relations and the length of time which would undoubtedly be required for legal proceedings. A legal challenge could be made subsequent to issuance of the general industry standard. Association decision and reasons therefore will be transmitted to Johns-Manville by Mr. Gabrielson.

Mr. Gabrielson also addressed public hearing technicalities and Association planning. Several persons were mentioned, in addition to Mr. Gabrielson, as possible participants to include ~~Drs.~~ Kotin and Weill, U.K. experts, Dr. Gerald R. Chase and Dr. E. B. Rhodes. He will coordinate with Dr. Kotin in the development of a presentation to avoid duplication. Mr. Gabrielson made reference to an important meeting with Mr. H.D.S. Hardie, Chairman, Asbestos Information Committee (U.K.) for June 21 in Washington, D. C. as it pertains to the hearing presentation. Mr. Dougherty added that the Executive Committee was of the opinion that the industry should strive to present a responsible impression at the hearing and demonstrate concern for the well-being of both employees and customers.

Association Membership/By-Laws

Mr. Dougherty said the Executive Committee had given consideration to possible revision of the Association By-Laws in order that associate and affiliate memberships could be authorized if desired by Directors. As a first step in providing this authorization, a modification to the Certificate of Incorporation of file in the State of Delaware to provide for more than one class of membership is required. In addition, he explained that the statement of purpose in the Certificate of Incorporation is in need of updating. Mr. Artabane outline details as to required legal procedure. Mr. Dougherty said other changes appear to be desirable in the By-Laws. He said Mr. Artabane, in coordination with the Executive Director, would prepare a proposed revision of the By-Laws for consideration of Members.

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It was the consensus fo the group that the addition of classes to membership would be beneficial to industry interests and the well being of the Association.

Formal consideration of possible changes to the By-Laws could be made at the meeting of members in September.

Activity Area Reports

A. Education and Training - The Executive Director encouraged utilization of the new J-M film, "Working with Asbestos" and the distribution of other materials available from the Association.

B. Standards & Technical - Next meeting of the Standards & Technical Committee is June 23-24 in the Association office.

C. Financial Affairs - Mr. Barge referred to previous decisions which resulted in significant changes to the 1976 budget. At the Association's meeting, February 4, 1976, an addition $25,000 was approved for the contingency funds/special projects line item in support of the AIA/NA response to the OSHA proposed revision of the asbestos standard --bringing the figure to $100,000 vice $75,000. As earlier noted, the estimate of $50,000 to support a legal/medical research program as initially presented at directors meeting on March 26, 1976 remains reasonable. He proposed that $25,000 be budgeted in 1976 and the remaining $25,000 be included in the 1977 budget. At the Directors meeting on March 26, 1976 the 1976 membership dues rate was approved at 2.5 mills resulting in an increase of income from $254,000 to $274,000. In addition, financial constributions through May to the AIA/NA OSHA asbestos standard task force were received in the amount of $24,000. This income is not reflected in the current budget. These items provide an increase of reciepts in 1976 from $255,000 to $308,000. The additional receipts result in an excess of projected receipts over expenditures of $29,540 as opposed to $1,540 now indicated. In view of above fiscal changes, a revised budget for 1976 to so reflect was proposed and approved by motion. (Copy of revised 1976 budget is attached.)

D. Membership - Mr. Workman reported the current Association membership is 33. Two companies have resigned within last month. One is due to misunderstanding of dues structure and is a candidate for associate membership, and the other resigned for personal business reasons. The latter was current in dues payment and has contributed $2,500 toward AIA/NA expenses in responding to the proposed revision to the asbestos standard.

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A total of $26,195 had been contributed to this effort to date. He encouraged Directors to assist in recruitment of new members in the Association.

E. Medical/Standing Committee, International Asbestos Information Conference - Mr. Marsh was not present due to his attendance as Association representative at a meeting of the Standing Committee, International Asbestos Information Conference. The Executive Director read a statement received from Mr. Marsh by telephone on June 8 concerning the current adverse publicity against the industry in the United Kingdom.

F. Labor Relations - Mr. Dougherty said he had nothing new to report except to raise the matter of labor attendance at the upcoming annual Industry-Government Conference. He and the Executive Director will call on Mr. John H. Sheehan, AFL-CIO, and explore the possibility of his attendance and participation. Mr. Roy J. Steinfurth, International Association of Heat & Frost Insulators and Asbestos Workers will also be invited.

G. Industry Economics and Technology - Mr. Fay said he has been in contact with Mr. Thurber and suggested inclusion of certain technological items in the agenda for the conference in September. A listing of manufacturers of dust control equipment continues in preparation and will be available for distribution in the near future.

Third Annual Industry - Government Conference, Sept. 8-9, 1976

Mr. Dougherty presented a proposed program format which would include: dust control, monitoring, industrial hygiene, European view of the industry, marketing forecast, asbestos-health update, AIA/NA Legal/Medical Research program. Dr. Corn (OSHA) and Mr. Train (EPA) will be invited as luncheon speakers.

Plant Physicians Conference

Mr. Dougherty said the Association continues to plan for this conference. He explained that work on responding to the proposed revision to the asbestos standard had delayed its scheduling, however, a time and place would be determined following public hearing on the standard.

Adjournment

There being no further business the meeting was adjourned at 2:10 P.M. Next regular meeting of directors is scheduled for September 8, 1976 to be followed by the annual meeting and the Third annual Industry-Government Conference at Stouffer's National Center Hotel, Arlington, Virginia

R. H. Mereness
Executive Director
June 16, 1976

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ASBESTOS INFORMATION ASSOCIATION/NORTH AMERICA
1976 REVISED BUDGET
(Board of Directors Meeting -6/10/76)
January 1, 1976 - December 31, 1976

RECEIPTS			
Membership Dues		$ 274,000	
Interest Income		3,500	
Publications Income		4,500	
Conference Income		2,000	
Contributions		26,000	
Total Receipts			310,000
DISBURSEMENTS			
Salaries & Administrative Expenses			
Staff Salaries	$64,600		
Temporary Help	1,500		
Pension Plan	2,800		
Payroll Taxes	2,760		
Insurance - Group	3,475		
Total Salaries & Administrative Expenses		75,135	
Rent		6,400	
General Office Expenses			
Postage	3,000		
Telephone & Telegraph	4,100		
Stationary & Supplies	3,800		
Office	700		
Office - Equipment, Furniture, Moving	4,000		
Office Machine Rentals - Xerox	6,000		
Insurance - Other	100		
Clipping Service	1,500		
Subscriptions & Publications	2,400		
Association Memberships	6,775		
Total General Office Expenses		32,375	
Travel & Meeting Expenses			
Travel	5,500		
Executive Committee, Board & Special Meetings	5,000		
Total Travel & Meeting Expenses		10,500	
Printing		19,000	
Federal-State Reports		600	
Special Consultant (Hans Weill):			
Retainer	18,000		
Out-of-Pocket	3,600		
Total Special Consultant		21,600	
Legal & Accounting			
Legal	10,100		
Accounting	5,750		
Total Legal & Accounting		15,850	
Contingency Funds/Special Projects		100,000	
Legal/Medical Research Program		25,000	
Total Disbursements			306,460
EXCESS OF RECEIPTS OVER DISBURSEMENTS			$ 3,540

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