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MAY 1965

U.S DEPARTMENT OF LABOR

Washington

PLAINTIFF'S EXHIBIT 14 10-12-78

RECORDS AUTHENTICATION CERTIFICATE

I HEREBY ATTEST, That the annexed copy, or each of the specified number of copies, of each document listed below is a true copy of a document in the official custody of the Department of Labor.

1 copy each of:
Transcripts from March 14,15,16, and 17
Comments and hearing exhibits of:
W.J. Nicholson, American Petroleum Institute, D.A. Holaday, Brand Insulations Inc., L.J. Bibri, B.J. Phillips(Certain-teed), M.W. Borow, J.D. Moran(Flintkote), F.L. Pundsack(J-M), J.W. Rawlings, W.M. Hancock(Dow), W.K. Hesse(J-M), E.M. Fenner(J-M), E.J. Killian(Nat. Cypsum), Cement Asbestos Products Co., M.M. Key, G.E. Best(MCA)

SIGNATURE AND OFFICIAL TITLE	DIVISION AND BUREAU	DATE
Daniel J. Marsick Technical Information Specialist	Docket Office/Technical Data Center/Occup. Sfty & Hlth Adm/ U.S. Dept. of Labor	7 Sep 78

I HEREBY CERTIFY, That Daniel J. Marsick who signed the foregoing attestation, is now and was at the time of signing (title) Technical Information Specialist and has legal custody of the official records of the United States Department of Labor therein attested and that full faith and credit should be given to his act as such.

IN WITNESS WHEREOF, I

J. J. Lafranchise

duly designated by the Secretary of Labor as Authentication Officer of the Department of Labor, have hereunto subscribed my name and caused the seal of the Department of Labor to be affixed this 7th day of September 1978.

J. J. Lafranchise

Authentication Officer
Department of Labor

185.

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CRMC-Motley1000-Subj-001560

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UNITED STATES DEPARTMENT OF LABOR

WASHINGTON, D.C.

In the Matter of:	
STANDARD FOR EXPOSURE TO ASBESTOS DUST, PROPOSED RULE MAKING	PUBLIC HEARING

Conference Room B
Interdepartmental Auditorium
12th & Constitution Ave., N.W.
Washington, D.C.
Thursday, March 16, 1972

The above-entitled matter came on for further hearing, pursuant to recess, at 9:00 o'clock, a.m., Thursday, March 16, 1972.

BEFORE:

ARTHUR M. GOLDBERG, Hearing Examiner

APPEARANCES:

(As heretofore noted.)

CRMC-Motley1000-Subj-001561

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AFTERNOON SESSION

(2:00 p.m.)

EXAMINER GOLDBERG: On the record.

Mr. Fay and Mr. Swetonic -- excuse me, is Doctor Tetrick in the room?

All right, Mr. Fay and Mr. Swetonic.

MR. FAY: My name is Albert H. Fay. I am Vice President of the Gold Bond Building Products Division of the National Gypsum Company in Buffalo, New York. I am appearing here today in my capacity as president of the Asbestos Information Association of North America, located in New York City. The Asbestos Information Association is comprised of twelve of the nation's largest miners, manufacturers and importers of asbestos and asbestos-containing products. The member companies of the association are listed on a fact sheet, which I will submit with my testimony.

As an introduction to industry testimony that will follow, I would like to briefly sketch for you a general picture of the size and scope of the asbestos industry in the United States, the types of products produced, the number of people employed, and other factors that will help position the asbestos manufacturing industry in the economic and social structure of this country.

I should mentioned before proceeding that the majority of the data that I present refers only to the

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manufacturing side of the industry, and does not include detailed information on industry using finished asbestos products, such as the construction industry or the insulation application and removal trades.

Asbestos is the generic name given to a group of inorganic hydrated silicate minerals that have one common attribute, namely, the ability to be separated into relatively soft, silky fibers. The three most commonly used varieties of asbestos are chrysotile, crocidolite, or blue fiber and amosite.

It is important to note that chrysotile accounts for more than 98% of the total annual United States consumption of asbestos. In the past, crocidolite and amosite were used far more extensively in the United States than they are today. The leading producers of chrysotile fiber are Canada and the Soviet Union, with smaller deposits being found in South Africa, Rhodesia, China, the United States and Italy.

Crocidolite and amosite are mined almost exclusively in South Africa.

The total annual world production of asbestos is around 4 million tons, with Canadian production accounting for about 30% of the total, and the United States about 3%.

The properties of asbestos that give it commercial value are its fibrous structure, the great tensile strength of the fibers and its resistance to high temperatures and to

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certain types of chemical action.

As a fireproofing material, asbestos has over the years saved untold lives and many billions of dollars in property damage. It is used in products ranging from asbestos-cement shingles, panels and siding to fireproof clothing, insulations, floor tile and friction materials. It has been estimated that some 3 thousand different products in daily use around the world contain asbestos. Most of these products, even though the percentage of asbestos in them may be small, cannot adequately perform their function without one or more of the unique properties that asbestos imparts. For most of these products, no adequate substitute for asbestos is available today.

It would take me an hour to enumerate for you the major uses of asbestos fiber. Instead, I am submitting with my testimony a listing from The Asbestos Fact Book, a publication of Asbestos Magazine, of some of the primary uses of asbestos in our modern society. I think it will become quite clear after reading this list why asbestos has often been called the indispensable mineral.

In the United States, the consumption of raw asbestos fiber over the past decade has remained fairly stable at an average of approximately 775,000 tons per year, with an estimated value of $90 million. Of this annual total, approximately 125,000 tons valued at $10.5 million is produced

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domestically, the rest being imported, primarily from Canada.

Based on Bureau of the Census manufacturing statistics and other data, the estimated value of asbestos-containing products manufactured in the United States last year was roughly $1 billion. Only around $35 million worth of fiber and products were exported, the rest being consumed domestically.

These products were made in well over 500 different manufacturing facilities, both large and small, throughout the United States, with a work force of at least 50,000 employees, and a payroll approaching $½ billion.

It should be remembered that these employment and sales figures refer only to companies and industries in which asbestos fiber is converted into finished products. In most cases, these products are not sold directly to ultimate consumer, but are used in the manufacture of other products, such as automobiles, electrical appliances and fireproof clothing. In other instances, the finished asbestos-containing products pass through a dealer or distributor to an applicator or some other craftsman who installs them. This is obviously the case in the construction industry.

Thus, products containing asbestos fiber may pass through three or four levels of trade or manufacture before they are purchased by the ultimate consumer.

For this reason, it is quite difficult to accurately

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judge the total economic value of the asbestos industry to the nation. We firmly believe, however, that the Arthur D. Little Company economic study now under way, will show it to be substantial. For example, it has been estimated that the insulation trades alone involve 40,000 men who spend at least a quarter of their time working with asbestos-containing products. Other employees whose livelihood depends at least to some extent on the use of asbestos-containing products include other types of construction workers; siding, roofing and tile installers, pipe layers, salesmen, distributors and dealers in asbestos products. It is impossible to calculate the total income derived by these workers from the use or sale of asbestos-containing products, but it is certainly in the hundreds of millions of dollars.

If one adds in the value of services, machinery, raw materials and other commodities purchased by the asbestos manufacturing industry each year for use in the production or shipment of finished asbestos products, the total economic contribution of the industry to the nation's economy would reach, perhaps, $3 billion, and would involve, to some degree, the livelihood of at least half a million wage earners and their families. We believe the economic and social contribution of the asbestos industry to the nation is substantial.

In addition to the many and varied lifesaving uses of asbestos, they play an important role in our modern

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technological society. For these reasons, the establishment of reasonable and feasible occupational health standards for asbestos is a matter of great importance, not only to the men whose health we are trying to protect, but also to the industry and to the country as a whole.

Our industry is cooperating fully with the Arthur D. Little Company in the economic study they have been retained to make by OSHA. We are all working hard to develop precise figures as to the potential economic effect of the proposed regulations on our industry. To date, we have been able to make only rough estimates. In general, they show a cost to the industry of approximately $200 million in new equipment to comply with the proposed standard of two fibers per cubic centimeter in those sections of the industry where we believe a two-fiber standard is technologically feasible. The proposed regulations would also produce a loss in sales of at least $400 million because of the labeling requirements and the shut down of operations where two fibers is technologically unfeasible. A number of companies have already indicated that they do not believe a two-fiber standard is feasible in many operations, and that if such a standard is promulgated, they will close down those operations immediately rather than spend millions of dollars in a vain attempt to achieve the unachievable. The loss of jobs will be substantial.

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Yesterday, there was a statement made here that if one plant can meet the standards, then all can. This is not true. There are vast differences in the various manufacturing industries and the dissimilarity makes it impossible for one to duplicate the other.

One other point. Yesterday, it was stated that smoking substantially increases the risk of disease. Since we are all concerned about the health of those associated with this business, we would like to recommend that the proposed standard should prohibit smoking during working hours on the job and that the warning signs required to be posted should prominently display "no smoking." Precedents for this exist in regulations at the Department of Interior, for example, in uranium mines.

In closing, it is our hope that OSHA will take all of these considerations into mind in developing the standards. If this is not done, it could well spell the demise of at least half of the asbestos industry in the United States and in time, perhaps, all of it.

Thank you, Mr. Goldberg.

I want to submit two exhibits. This exhibit is a list of the members of the Asbestos Association of North America.

EXAMINER GOLDBERG: The list of members of the Asbestos Association will be Exhibit 36.

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(The document above referred to was marked as Exhibit No. 38 for identification.)

EXAMINER GOLDBERG: All right.

MR. FAY: And the second one is the Asbestos Fact Sheet concerning the uses of asbestos and asbestos products.

EXAMINER GOLDBERG: That will be Exhibit 39.

(The document above referred to was marked as Exhibit No. 39 for identification.)

EXAMINER GOLDBERG: Thank you.

Exhibits 38 and 39 are received.

(The documents previously identified as Exhibits Nos. 38 and 39 were received in evidence.)

EXAMINER GOLDBERG: Introduce yourself.

MR. SWETONIC: My name is Matthew M. Swetonic, and I am Executive Secretary of the Asbestos Information Association of North America and also manager of special projects in the Public Affairs Section for the Johns-Manville Corporation.

Mr. Fay has already described the association, and identified the companies which it represents. We are basically an information disseminating organization and the facts or opinions contained in my presentation are supported in the

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