UNION CARBIDE CORPORATION
Chemicals and Plastics — Bound Brook, New Jersey

To: Mr. R. E. Nicolson — Date: November 22, 1972



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Subject: Asbestos Filler Used In Phenolic Molding Compounds

Messrs. Albright, Madestau, Martino, Moked and Potter met on November 17, 1972 to develop strategies and programs for the future regarding the use of asbestos in phenolic molding compounds. Recent activities by General Electric in the marketplace have directly and indirectly affected our ability to proceed in a timely manner with our bulk handling project. Their activities in the field might also influence our posture as to whether or not we want to continue using asbestos, depending on the success of their new (as yet unavailable) replacement compounds.

General problems were identified at this meeting with an understanding of the affect they might have on our short term and long term asbestos position. It appears that by the end of January of 1973 certain critical information will be developed which will allow us to formulate recommendations for strategy and programs to the Operations Team shortly thereafter.

Background

Until recently our "plan" for asbestos has consisted of the following elements:

1. Implement in 1973 a system to bulk handle Carey asbestos in specially modified trailer trucks to compounding unit B.

2. Only use asbestos in heat resistant products 2035, 5303 and 5418 and their crossover numbers.
   a. Remove asbestos from all low concentration formulas.
   b. Discontinue the concept of a commodity heat resistant compound (6935).

3. Possibly install a closed extruder for fluxing of powders on Unit B before July 1, 1976 (date of lowered OSHA limits).

The above plan implied continued use of Carey asbestos in heat resistant products.

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Recently, also, General Electric has announced that they are discontinuing the manufacture of, and the molding of, all asbestos containing products at the end of 1972. Substitute products are to be made available. This causes two general problems for UCC:

Firstly, if GE is "successful" in the marketplace, this action could force us to also develop replacement products.

Secondly, this action has roadblocked our ability to move quickly on our bulk handling project. Verbal understandings with Carey company were based on their assumption that they would also continue to supply General Electric with large quantities of asbestos which would give them an acceptable return on their total new investments. We were previously not aware of this. Carey will not commit to their participation in our planned bulk handling project.

Hence, we have an immediate need to redefine our posture, programs and timing relative to the use of asbestos. The following problems and alternatives have been recognized.

Internal Problems

1. A plant cost reduction of $54M per year was planned starting 1974 based on the bulk handling project. Timing may have to be changed or substitute cost reduction projects may have to be developed.

2. Current OSHA regulations are being met but our third floor handling system is not 100% foolproof. Operator/asbestos interaction allows for the possibility of exceeding limits. Continuing operating costs and small investments are incurred in meeting all of the various parts of the OSHA regulation. Product 5418 which is planned for transfer from R-1 to Unit B may cause us to exceed limits. This product might have to be eliminated.

3. OSHA regulations become more stringent on July 1, 1976. At that time we will definitely exceed limits on the third floor handling area and may exceed limits on the charge roll. Some think the 1976 limits could be advanced to an earlier date.

4. Asbestos is harmful and the public is aware of it. Even meeting the letter of the law can result in residual emotional problems on the part of the wage people. These problems can become real problems, e.g. our agreement to supply disposable coveralls (at a cost to us) even though by law we don't have to do it.

External Problems

1. Do our customers come under the OSHA regulations? Do compounds contain free fibres of asbestos greater than 5 microns in length? Must we apply warning labels to containers of finished product? If so, the nature of our customers is such that they may not want to both with the compliance program. This could force us to find substitutes.

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2. The approval procedure for substitute products is a lengthy one for many applications.

3. Will competitive pressure, i.e. General Electric, create a thrust away from asbestos even if molders comply to the letter of the law?

4. We have made partial short term committments to some customers to continue supplying asbestos filled products.

Some Alternatives

1. Find a substitute for asbestos.

2. Discontinue manufacture of all products containing asbestos (60% of current product mix).

3. Manufacture products which contain asbestos but which do not generate free fibres at our customer's shops.

4. Confine asbestos compounds to selected markets and customers.

5. Develop a wet handling process to solve our internal problems.

6. Develop a closed fluxing and compounding system.

7. Implement a bulk handling project with Carey at a substantially higher cost to us.

8. Develop more economical transportation technology relative to Carey asbestos.

9. Convert formulas and implement a bulk handling system to use UCC pelleted asbestos.

In order to continue to make progress, the following actions are planned to be completed by January 31.

1. C. F. Martino will define the impact of OSHA regulations on our customers.

2. P.B.Potter will define the significance of any other external activities that will relate to our position.

3. C. F. Martino will define magnitude and timing of a formulation program to convert to UCC asbestos.

4. D. R. Albright and I. Moked will review the development of asbestos transportation technology and define any new alternatives.

5. D. R. Albright will define economics and timing of a project relative to bulk handling of UCC asbestos.

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D.R.Albright

D. R. Albright