UC 149-2

PLAINTIFF'S EXHIBIT UC-346

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MAY 14 1979

F. J. SHORTSLEEVE

To (Name) Mr. T. D. Finnigan
Division UCC
Location 1730 Pennsylvania Ave. NW
Suite 1250
Washington, DC 20006

Date May 8, 1979

Originating Dept. "Calidria" Asbestos

Answering letter date

Subject HR 8689 (Fenwick) Asbestos
Health Hazards Compensation Act

Copy to Messrs.
E. W. Kantz/R. G. Beverly
J. L. Myers
J. J. Sibley
~~F. J. Shortsleeve~~ W. Rebholz
J. J. Whittlesey
File

This confirms our telephone conversation of May 7, 1979 on the above noted proposed legislation. I have discussed the bill in some detail with both Messrs. Whittlesey and Sibley. We are all in agreement that it is poorly drafted with a lot of ambiguous and, therefore, potentially damaging wording. The most critical problem occurs with the words "... any product or substance containing asbestos" used to define responsible parties. This could easily be interpreted to mean asbestos fiber with the resulting imposition of a cost of at least $32.50 per ton of asbestos produced charged directly to Union Carbide.

Mr. Whittlesey discussed this matter with Mr. Dennis Markeson, a senior counsel at Johns-Manville, and was assured that it was not the intent to include the fiber producers as responsible parties. He would be sympathetic to wording changes to clarify this and other parts of the bill, but did not want to get into these details in the upcoming committee hearing on May 8. Mr. Whittlesey also indicated that Union Carbide might be willing to support the philosophical concepts contained in the bill provided that we do not get stuck with a lot of payments for things where we have no real liability.

It has also been learned that this bill is opposed by Labor, by the Committee Chairman, and has only lukewarm support by Mrs. Fenwick. The tobacco industry can also be expected to continue their strong opposition and it seems doubtful that the Administration will wish to take on the large cost burden.

All things considered, it is our (J.W.W., J.J.W., H.B.R.) view that Union Carbide should adopt a low profile, neutral position until we see how the legislation progresses. Such progress should be watched closely, however, so prompt action can be taken if it becomes appropriate.

H. B. Rhodes

H. B. Rhodes

HBR:dal