PLAINTIFF'S EXHIBIT

UC-3122

RECEIVED
APR 8 1987
M. P. McCREADY

UNION CARBIDE CORPORATION
ENGINEERING, MANUFACTURING, AND TECHNOLOGY SERVICES
Central Engineering
South Charleston, West Virginia

Bart
your scan of this may help you know what's available at the Tech center RE Asbestos. Also whats going on in the program to stop using it.

UCC BUSINESS CONFIDENTIAL

March 2, 1987

TO: L. E. Calvert
S. W. Clark
G. B. Elder
R. W. Engle
S. S. Murphree

agenda for the march 17 mtg and the summary of the minutes are part of this package. DO we need any help from any of these folks? If so I know them very well & would be glad to arrange. I have been following this Task Group work for about the past year & may be able to fill in any gaps.
MIKE

COPY TO: P. D. Franson
P. R. Kavasmaneck
W. G. Lilly, Jr.
B. G. Perry
D. L. Runyon
J. E. Sanders
S. W. Turicchi

(K) Icc → Bob Hal
Icc → me
orig → MPM

FROM: C. C. Neely

SUBJECT: Phaseout Use of Asbestos-Containing Materials in Work Place
Chemicals and Plastics Group

Confirming my telephone conversations with you, I am pleased to report that our Vice-President, Mr. B. G. Perry, and the Manufacturing Council have endorsed our proposed program dated 9/29/86 (copy attached for convenient reference). Mr. Sanders has, in turn, requested that we reactivate our Task Group and commence developing plans to implement the program. (See J. E. Sanders' memorandum dated February 19, 1987, copy attached.) I accordingly am pleased that those of you on the original Task Group have expressed willingness to continue your participation. It is also a pleasure to welcome Sharon Murphree as a new member of the Task Group representing the purchasing function. Of course, it is recognized that we each will probably need the assistance of others in order to accomplish our portion of this assignment.

We need to have a meeting soon in order to develop an overall program, schedule, and budget for our activities. I have accordingly arranged for a meeting as follows:

DATE: Tuesday, March 17, 1987

TIME: 8:30 a.m.

PLACE: Building 2000, Room 2505

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PROPOSED AGENDA

MARCH 17, 1987 MEETING

IMPLEMENTATION PROGRAM TASK GROUP

PHASEOUT OF ASBESTOS-CONTAINING MATERIALS IN WORK PLACE

CHEMICALS AND PLASTICS GROUP

1. Call to Order

2. Adoption of Agenda

3. Announcements

4. Develop and Maintain C&P Standard Practices

4.1 Identification of Asbestos-Containing Materials

Standard practices covering this activity are primarily the responsibility of the Industrial Hygiene Group. Stan Clark is assigned lead responsibility and will report on proposed activities (see Footnote 1).

4.2 Replacement of Asbestos-Containing Insulation as Required to Maintain Structural and Functional Integrity

Perhaps CED can develop some criteria for establishing how to recognize when the structural integrity of insulation has deteriorated sufficiently to become a health hazard. George Elder is assigned lead responsibility and will report on proposed activities (see Footnote 1).

4.3 Removal, Modification, and/or Disposal of Asbestos-Containing Materials

Standard Practices covering this activity are also primarily the responsibility of the Industrial Hygiene Group. Stan Clark is assigned lead responsibility and will report on proposed activities (see Footnote 1).

4.4 Use of Asbestos-Substitute Materials

4.4.1 George Elder has lead responsibility for establishing which asbestos-substitute materials are acceptable (health effects as well as functional acceptability shall be considered) and will report on proposed activities (see Footnote 1).

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AGENDA (Cont'd)

4.4.2 Rex Engle has lead responsibility for modifying the Valve and Piping Specifications to include asbestos-substitute materials and will report on proposed activities (see Footnote 1).

4.4.3 Clyde Neely has lead responsibility for revising the Pressure Vessel and Tank Specifications and will report on proposed activities (see Footnote 1).

4.4.4 Purchase of Asbestos-Substitute Materials

Sharon Murphree has lead responsibility for the purchase of the substitute materials and will report on planned activities (see Footnote 1).

4.5 Variance Procedure to Cover Consideration of Uncommon Circumstances

Presumably each plant will use its own variance procedure; however, ideas from the group on this subject will be solicited.

5. Conducting On-Site Seminars at Institute, Seadrift, Sistersville, South Charleston, Taft, and Texas City

As indicated in the Task Group's September 29, 1986, memorandum entitled "Proposed Technology Program in 1987 In Support of Existing Operations" (copy attached), we recognized the importance of this activity since the cooperation of each location is essential to the success of the program. Clyde Neely will lead a discussion regarding this subject, with a consensus agreement on the desired program being the objective.

6. Other Business Items

6.1 Next Meeting Date

7. Adjournment

X X X

1) Proposed activities will include preliminary outline of overall program and associated schedule and budget. It may be appropriate to request that specialist directly responsible for doing the work be present.

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UNION CARBIDE CORPORATION
Engineering, Manufacturing, and Technology Services
Central Engineering

P. O. Box 8361
So. Chas., WV 25303

BUSINESS CONFIDENTIAL

September 30, 1986

TO: Mr. J. E. Sanders

COPY TO: Mr. L. C. Calvert
Mr. S. W. Clark
Mr. G. B. Elder
Mr. R. W. Engle

FROM: C. C. Neely

SUBJECT: Final Draft of Recommended C&P Program
Phase-Out Use of Asbestos-Containing Materials in Work Place
Chemicals and Plastic Group

Attached herewith on behalf of the Special Working Group is a copy of the subject document dated 9/29/86. It is a slightly fine-tuned version of the 8/28/86 version which was transmitted to you under my transmittal also dated 8/28/86. The changes that have been made are of a clarifying rather than substantive nature.

At this point, we have not made an effort to obtain broad, formal review of the subject program. However, Larry Calvert has discussed it briefly with the Maintenance APM's and Maintenance Managers. In addition, Stan Clark arranged for its review by the Safety, Health Advisory Committee (SHAC), and your staff has reviewed it. Feedback indicates these groups to be supportive of the concept, but some have expressed concern regarding the January 1, 1989 date specified for the discontinuance of the purchase of asbestos-containing materials, believing it to be optimistic. Some of the concern relates to the following:

1. CED's ability to revise and reissue the V&P Specifications and the Valve Manual in time to support the deadline. The responsible CED specialists have carefully reviewed this matter and believe that reissuance of these Manuals by July 1, 1988 is realistic. This date has not been published, however.

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2. Belief that field testing of new gasket and packing materials will be required. Such testing will not be necessary since the plan at this time is to accommodate most of the substitutions by broadening the use of materials already in use, materials such as reinforced Teflon and GRAFOIL™. This plan has not been broadly disseminated, and we can fully appreciate the reluctance to agree to a purchasing cut-off date for asbestos-containing products without knowing what the substitutes are. We also appreciate that, once this material substitute plan is known, there will be a natural resistance due to the higher first cost of these substitute materials.

3. Some belief that installers will need special training to handle the new gasket and packing materials. For reasons cited in (2), we do not believe this requirement will be significant.

4. Perhaps lack of understanding that the January 1, 1989 date is the cut-off date for the purchase of asbestos-containing materials except as approved by a variance.

5. "Is this really necessary" attitude. The Special Working Group believes that OSHA's recently revised exposure limit of 0.2 fibers per cubic centimeter of air (was previously 2.0 fibers per cubic centimeter) add significant impetus to implement the proposed Recommended Program. According to Terry Hanning's September 5, 1986 memorandum (copy attached), labor union representatives do not believe that controlling the exposure limit to this lower level provides adequate protection.

The above concerns notwithstanding, the Special Working Group decided to submit the subject Recommended Program to you with the January 1, 1989 date included since we believe that, with proper communication with the key plant personnel responsible for its implementation, along with management support, this date is realistic and achievable. We are submitting under separate cover a proposed CED Technology Program which includes request for funds to cover the important communications aspect of the understanding, acceptance and implementation process.

Please let me know how we can be of further assistance regarding this matter.

C. C. Neely

CCN:mr
4319I
Attachment

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9/29/86

D R A F T

RECOMMENDED C&P PROGRAM

CHEMICAL AND PLASTICS BUSINESS GROUP (C&P)

GOAL: PHASEOUT USE OF ASBESTOS-CONTAINING MATERIALS[1] IN THE WORK PLACE

PURPOSE/BACKGROUND

The Corporate Charter (1.1) contains the following commitment to employees:

> "To provide working conditions, programs of training and education, and persistent review and appropriate modification of facilities and practices to protect the health and safety of employees."

It also contains a social commitment to conduct business "in accordance with all the applicable national and local laws and regulations."

As a result of available evidence that airborne asbestos in the occupational environment had proven to be carcinogenic in man, all C&P Insulation Standards were revised in 1976 to specify only asbestos-free insulating materials; and new or replacement installations of these materials have subsequently been selected accordingly. Additionally, a Safety/Health Standard designated SH-256 was prepared covering the safe removal and handling (includes disposal) of asbestos-containing insulating material during renovation and demolition. The requirements of this Standard equal or exceed those of current applicable government standards.

OSHA's rule-making efforts relative to asbestos usage in the work place are mired in controversy. Hearings on the latest EPA proposal which includes the phaseout of all asbestos over a ten-year period are now in progress. The proposal states: "EPA is considering banning the manufacture, importation, and processing of asbestos construction products and asbestos clothing soon after the rule's promulgation with the category of asbestos friction products banned about five years later, and other asbestos products banned at a later time." Gaskets and packing that contain asbestos are in the category of "other asbestos products" that would apparently be banned after ten years. No peer company that we are aware of has a target date for removal of existing asbestos-containing insulation, gaskets, or packing; however, one major chemical company has recently discontinued the purchase of asbestos-containing gaskets and packing.

A cost analysis of pipe-size gaskets shows that GRAFOIL®, probably the most expensive of the acceptable gasket substitute materials, is, in fact, cost effective when the cost of mandatory work practices associated with the use of asbestos (e.g., wetting for removal or airborne fiber

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[1] "Asbestos-containing materials" include but are not limited to insulation, gaskets, packing, welding blankets, and construction products.

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exposure monitoring during removal, placing in labeled plastic bags after removal, landfill disposal, and record keeping) is considered. The same conclusion is drawn relative to valve packing when the additional considerations of improved service life and sealability are included.

Consistent with the aforementioned commitments and the economic use of materials, C&P has concluded that positive actions relative to asbestos-containing materials(1) should be taken.

RECOMMENDED C&P PROGRAM

Except as otherwise provided by applicable law, Chemicals and Plastics Business Group will:

Continue to phase out the use of asbestos-containing materials:

- Asbestos-containing insulation shall be replaced with asbestos-free materials as required to maintain structural and functional integrity.
- No asbestos-containing materials shall be purchased after January 1, 1989.
- C&P Standard Practices shall be employed for the identification, removal, modification, and/or disposal of asbestos-containing materials; and for use of asbestos-substitute materials.
- Evaluation of asbestos-substitute materials shall include consideration of health effects as well as suitability for intended service and cost.
- A variance approval procedure shall be employed to cover consideration of uncommon circumstances. Approval must always include endorsement of C&P HS&EA management.

SCOPE

This Recommended Program applies to all C&P operated/hosted facilities. Other components of the Corporation will be apprised of its content.

DELEGATION

The assignment of duties and authority to carry out the Recommended C&P Program defined herein is delegated as follows:

To Central Engineering Department

- Develop and maintain C&P Standard Practices covering:
  - Identification of asbestos-containing materials;

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- Removal, modification and/or disposal of asbestos-containing materials; and

- Use of asbestos-substitute materials.

To Line Operations Management

- Implement C&P Standard Practices for the identification, removal, modification, and disposal of asbestos-containing materials.

- Implement C&P Standard Practices covering asbestos substitute material applications, and communicate the service experience with these materials.

To Manufacturing Services

- Monitor use of asbestos-substitute materials and communicate the service experience with these materials.

To C&P HS&EA

- Audit compliance with governmental regulations and C&P Standard Practices relating to asbestos-containing materials and, where applicable, their substitutes.

C. C. Neely
4707I

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