PLAINTIFF'S EXHIBIT

UC-3883

UCC BUSINESS CONFIDENTIAL
Not to be released without
approval of R.F. Kelley

194A

ISSUE SUMMARY
UCC FEDERAL GOVERNMENT RELATIONS DEPARTMENT

Draft Report
December 3, 1980

REGULATION OF ASBESTOS

Description and Background

Asbestos is a known human carcinogen. Asbestos was the first material regulated by OSHA and has been subject to a standard since December, 1971. The Environmental Protection Agency (EPA) and the Consumer Product Safety Commission (CPSC) have worked out an inter-agency agreement which divides up the regulatory responsibility for the massive asbestos efforts now underway. The EPA will regulate asbestos under the Toxic Substances Control Act or TSCA, the Resource Conservation and Recovery Act (RCRA), and the Clean Air Act.

Financial Impact

Union Carbide's asbestos business is especially susceptible to the mandatory substitution approach being considered by EPA and CPSC. Without regard for higher cost and lower performance, non-asbestos substitutes are available for many of our current applications.

Although total asbestos sales are relatively low, the quality of the business is excellent, with a net income of between $500M to $1MM per year.

UCC Position

We do not oppose regulations which are necessary to enhance worker safety and protect the environment, and we believe that current regulations are adequate to accomplish this. We will continue an active role in the Asbestos Information Association of North America (AIA/NA) because our interests are often not the same as other asbestos suppliers and users.

The Other Side

In analyzing the exposure to asbestos, the EPA has used an innovative "cradle-to-grave" approach similar to that used to ban polychlorinated biphenyls. As described in the October '79 ANPR the approach is to measure the risk at each step in the life cycle of the substances (mining, milling, transportation, product manufacture, product use, and final disposal) and add them together. If the cumulative risk is judged to be unreasonable, the EPA takes the position that all except absolutely

408359

Union Carbide trial exhibit UC-3883: Union Carbide Federal Government Relations Department Draft Issue Summar…
ACL Doc 18524 · Page 1 of 3
Published by AsbestosClaims.Law
asbestosclaims.law/library/18524/1

essential uses should be banned. They have already made a tentative conclusion that an unreasonable risk situation exists for asbestos, and this is reflected in the proposed regulatory alternatives.

Allies and Opponents

Our allies on this issue include the National Association of Manufacturers, the American Mining Congress, and the Asbestos Information Association/North America, all of whom have been involved with the regulatory aspects of asbestos.

UCC Actions Taken

Union Carbide has been active in participating in the meetings with the National Association of Manufacturers and the Asbestos Information Association. Union Carbide has been supportive of comments submitted by the Asbestos Information Association in response to an advance notice for proposed rulemaking issued by EPA in October of 1979.

Key UCC Personnel Involved

Harrison B. Rhodes, Metals, Niagara Falls
John L. Meyers, Metals, Niagara Falls

Situation Update and Outlook

The regulatory timetables that are now appearing give belief that there are several more years of regulatory investigations ahead with the result being substantiative legal challenges. It is likely that the courts may be the only possible source of relief. Bans or mandatory substitutions are not expected as a result of the large scale regulatory actions in progress. Final regulations reducing the asbestos exposure may take one to three years to be promulgated with several more years after that open for industry to come into compliance.

Adverse publicity related to proposed rulemaking and litigation proceedings is doing more harm to the asbestos industry than promulgated regulations. It seems apparent that some agencies are using the media in a calculated manner to achieve their end.

Federal Government Relations Contact: R.F. Kelley
Supporting Contact: George J. Hanks, Jr.
Address: 1730 Pennsylvania Avenue, N.W.
Suite 1250
Washington, D.C. 20006 Telephone: (202) 872-8555

SUPPLEMENTAL DISTRIBUTION LIST

R.A. Allenbach C.R. ? FJS ?
R.G. Beverly
J.B. Browning
T.A. Carmody T.W.
J.L. Meyers
H.B. Rhodes

A0836C

/jr/194A

Union Carbide trial exhibit UC-3883: Union Carbide Federal Government Relations Department Draft Issue Summar... Published by AsbestosClaims.Law
ACL Doc 18524 · Page 2 of 3 asbestosclaims.law/library/18524/2

Published by AsbestosClaims.Law
asbestosclaims.law/library/18524/3