PLAINTIFF'S EXHIBIT

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INTERNAL CORRESPONDENCE

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Date May 1, 1979

Originating Dept. "Calidria" Asbestos

Answering letter date

Subject HR-8689 - Asbestos Health Hazards Compensation Act

The "Asbestos Health Hazards Compensation Act" sponsored by Representative Fenwick, which was killed in the last Congress, has been resurrected with considerable modification as HR-8689. This bill is being pushed by Mr. John McKinney, who I believe is the President and Chief Executive Officer of Johns-Manville, with a furor bordering on a crusade. J/M has also been instrumental in organizing a supporting group named the Asbestos Forum whose members mainly have the common bond of being co-defendants in a large number of asbestos third party law suits.

The essential thrust of the bill is that payments into a compensation fund are made in exchange for statutory relief from third party product liability suits. The tobacco industry continues to be included as a payor. The original bill keyed asbestos related payments into the fund to the asbestos producers. The revised version applies to persons who manufacture asbestos-containing products. Specifically, any person who ". . was or is currently engaged in (1) the manufacture and first sale of any product or substance containing asbestos, (2) the import for sale or distribution of products containing asbestos."

It is not clear to me whether asbestos fiber itself falls within the definition of a "substance containing asbestos." I have been assured by J/M that it was not the intent to include fiber. If so, it would appear that it needs to be made more explicit.

In any case, the asbestos products are divided into Class I and Class II. The criteria for Class I is ". . any product or substance containing asbestos and which during handling, use, application, or installation create the likelihood that dust containing asbestos will be produced. ."

A specific list of such products is provided as Appendix A but the Secretary is granted the right to add or delete other products. Note also that there is no requirement that potentially harmful levels of dust or levels above any particular level be likely to occur. It would appear that the Secretary has great latitude.

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