EXHIBIT 1

R. T. SMITH

cock & Wilcox

AUG 7 1978

R.T. SMITH - MANAGER, FACILITIES - NED PRODUCTION	GO 6060-2
T.L. WHARTON - FACILITIES, NED PRODUCTION	File No. or Ref.
SAFETY HAZARD IN ELECTRODE SHOP	Date AUGUST 2, 1978

This is to alert you that the Babcock & Wilcox Company appears to be in violation of OSHA standards on Asbestos exposure through dust circulation in the Electrode Shop.

No citation has been issued by OSHA and I am sure that OSHA is not even aware of the Electrode Shop exposure to such suspected carcinogens as asbestos, iron powder, silica flour, and others. The dust problem in the Electrode Shop was brought to the Safety Dept's. attention by a request from NED Facilities for measurements of dust at the PK Blender, one of the worst dust producers.

A meeting was held July 31, 1978 in the Safety Office with K. Bryan, M. Kozak, F. McCollum, and T. Wharton in attendance. We discussed the dust problem and are investigating solutions.

The investigation is going to be handled as discreetly as possible. It is a concern of the meeting attendees that a labor problem such as a walkout or an OSHA citation for noncompliance would be forthcoming if the hourly labor force was aware of the apparent danger of asbestos exposure.

This dust problem has been of such significance that I have attempted to work through R. Cartwright to no avail.

Therefore, I took the initiative to contact a Torit Corporation representative. He will be in August 2, 1978 to review the dust control needed in the Electrode Shop to bring us within OSHA compliance.

The solution to the dust problem may result in a sizeable investment for the Electrode Shop. A preliminary estimate of the items needed to confirm to OSHA would be as follows:

1. Dust collectors with exhaust systems for each area of exposure.
2. Employer provided special clothing
3. Change rooms
4. Double lockers

5. Employer paid laundering

6. Set up of a monitoring program not to exceed six months per monitoring period

7. Posting signs

8. Waste disposal in a hazardous material landfill increasing disposal costs.

9. Special record keeping for a 20 year period.

10. Initial physical exams at employer cost then annually thereafter.

As the situation stands right now, no one in the meeting wants the warning signs posted at this time. Readings of dust and suspected carcinogen concentrations will not be taken until the alternatives and solutions are examined.

STARTED SAMPL - 8-5-76

I will work with the Safety Office and the Electrode Shop to minimize the dust problem.

T.L. Wharton

T.L. Wharton

maj

cc: G.K. Bryan
R.W. Caldwell
C.R. Ferguson
M. Kozak
F.W.McCollum
F.A. Underwood