

OMB Official Said Agency Would Fight an Asbestos Ban

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Canada Given Assurances on Exports, Document Shows

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A top official of the Office of Management and Budget met secretly with Canadian Embassy officials last January and assured them that OMB would work with them to undercut a proposed Environmental Protection Agency ban on U.S. use of asbestos, a major Canadian export, according to a Canadian document.

The meeting between Robert P. Bedell, deputy OMB administrator for information and regulatory affairs, and two Canadian officials was described yesterday at a hearing before the House Energy and Commerce oversight subcommittee. The panel is investigating OMB's role in decision-making at various regulatory agencies.

The EPA proposal to phase out asbestos use over 10 years followed a bitter regulatory battle within the Reagan administration. The EPA announced its decision Jan. 23 and published the proposed regulations Jan. 29 in the Federal Register. Asbestos has been linked conclusively to lung cancer and other fatal lung diseases.

According to a telex from the Canadian Embassy to the External Affairs Office in Ottawa—released by Chairman John D. Dingell (D-Mich.)—Bedell called the asbestos dispute a “classic struggle between executive and legislative branches on regulatory affairs, . . . motivated not by asbestos but by classic power struggle over who controlled EPA.

“He noted that Dingell . . . is accustomed to having his way with these agencies by ‘bullying’ tactics even though the agencies are part of the executive branch,” the telex said.

Bedell yesterday confirmed the meeting. He denied using the word “bullying” and said, “I was not telling them how to undermine an important health and safety rule.” He did not dispute the thrust of the telex.

John Fieldhouse, a spokesman for the Canadian Embassy, said he has not seen a copy of the telex and cannot confirm its authenticity.

Rep. Ron Wyden (D-Ore.) accused Bedell of “conspiring with representatives of a foreign government to sabotage this proposed rule.”

The EPA announcement caused major alarm in Canada, which supplies more than 90 percent of the asbestos used in the United States. A Jan. 27 cable from the U.S. consulate in Quebec to the State Department said that in Quebec, the regulations would lead to the loss of 3,000 to 3,500 jobs and about \$56 million in annual export in-

come. It also expressed Canada's concern that a U.S. ban would trigger a “snowball” effect with other countries.

The meeting between Bedell and two unidentified Canadian officials occurred Jan. 30 and was described in detail in a Jan. 31 telex.

According to the telex, Bedell told the Canadians that OMB “remains opposed to [the] banning approach and it will actively work toward this end in [the] regulatory process.” In response to questions yesterday, Bedell said he told the Canadians that

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—telex from Canadian Embassy

OMB supports a ban on some uses of asbestos but wants to allow continued use of asbestos where there is no major health risk.

The cable suggested that the EPA proposal came as a surprise. “The decision to approve . . . was generally regarded as political because apparently even middle management of OMB was unaware of the pending decision,” the cable said. It added that Bedell said the decision for EPA to go forward was based partly on “intense political pressure” from Congress.

“Under these circumstances, Bedell felt it would be politically untenable to remain opposed to regulation of asbestos per se. On other hand, Bedell appeared somewhat confident that more contentious elements of proposal such as banning can be dealt with,” it said.

The telex goes on to say that OMB asked the EPA to include a proposal to label all products containing asbestos. “This would allay suspicion on Hill that OMB is not sincere about regulation of asbestos. But principal rationale . . . according to Bedell, is tactical in that it would provide more balanced alternative to just banning.”

It added that Bedell urged the Canadians to submit information to the EPA during the public hearing process: “Bedell gave assurances that even though EPA is both judge and jury in the regulatory process, OMB will see to it that EPA . . . will take into account all infor[mation] provided during process.”