When the Door Opens—
Go Through

When Indiana’s Fred Treadway Saw a Marketing Opportunity in Asbestos Abatement He Went After the Market—and the Profits

When they bought his wall and ceiling company’s assets, the buyers left him with the asbestos abatement business. It was, they thought, a smart move because once the asbestos fad faded away Fred Treadway would no longer be a serious competitor.

Some fade away. Today Fred’s company, Specialty Systems, Inc., in Richmond, IN, is one of the nation’s top rated asbestos abatement firms and in conjunction with his other wall and ceiling company, Whisenhunt & Associates, Inc. performs annually more than $6.5 million in volume.

Asbestos abatement not only kept Fred in business, but actually financed his way back into the business of drywall, acoustics, sprayed fireproofing, lath and plaster and exterior insulated wall systems.

Born in South Bend, IN, son of John Treadway, a journeyman carpenter, and Fran Boyer Treadway, Fred naturally went through the carpenters’ apprenticeship program directly out of South Bend Washington High School.

A succession of jobs took him from apprentice to carpenter to foreman to estimator. Then in 1977, he quit his job as estimator for a wall and ceiling contractor in South Bend to start up his own company, Specialty Systems, Inc. After selling off the company’s assets in 1979, Fred moved solidly into asbestos abatement.

Seeing a need for a company to perform the replacement work, Fred transferred his family and operations to Richmond when he bought out the company started by W. Ralph Whisenhunt. The marriage of his asbestos removal firm to the traditional wall and ceiling services of Whisenhunt has produced a swift growth curve.

Married to the former Janice Luchowski, Fred is the father of two sons, Richard and Brian. His firm is a member of AWCI as well as the National Association of Asbestos Abatement Contractors, the National Asbestos Council, the Industrial Hygiene Association. Fred is also state president of the Indiana subcontractors group. And he’s Chairman of AWCI’s Technical Subcommittee No. 8 on Asbestos Abatement and Encapsulation.
“Contractors specializing in asbestos removal and abatement don’t need to be scientists, but knowing how to conduct a few fundamental tests is part of the job.”

DIMENSIONS: Why asbestos, Fred? It really did seem to be a temporary thing back in the late 70s.

TREADWAY: It did to everyone except me. I just had a gut feeling that the market was a serious one. Resides, no one else wanted it and I felt that’s a market that I should be in.

DIMENSIONS: When did the market really get going?

TREADWAY: It was slow getting off the ground—but there was always good profit in it. Starting in 1983, a lot of people started getting interested in its potential. Up to that time, of course, you had to dig around a bit for jobs—travel a bit, too—but there weren’t too many contractors who understood or wanted to compete.

I can remember when only three contractors were bidding for most of the work around the entire Ohio, Kentucky region. All three of us are still bidding against each other, but there are new contractors coming in all the time now.

DIMENSIONS: All markets have a cycle. Where, in your opinion, is the asbestos abatement business right now?

TREADWAY: It’s just starting to mature . . . maybe halfway up the expansion side of the curve. More and more contractors are coming into asbestos work. Like most other construction jobs, each asbestos abatement project differs so you need different approaches constantly. There just isn’t any consistency in the work procedures.

DIMENSIONS: It’s been said that there is a flood of rules, regulations, and legal pitfalls to avoid. Frankly, this seems to be scaring off a number of good contractors?

TREADWAY: That fear syndrome may be overdone. Certainly there are OSHA laws written for the asbestos industry. The biggest problem right now, though, is the non-applicability of many laws. The public in general over reacted to the asbestos controversy, plus OSHA and the Environmental Protection Agency’s laws to reflect the asbestos abatement problem are hard to interpret.

What happened was the temporary emergency standards pushed through by OSHA in 1983—and President Reagan signed these into law—were blocked by legal action by a group of manufacturers.

Currently, OSHA’s new standards—which are believed to be more realistic and appropriate—are pending. In the meantime, we have to go ahead and work in this industry. That’s about 300 contractors who are now awaiting the new regs.

DIMENSIONS: Why don’t more contractors go into asbestos abatement? Is it really that dirty, that treacherous, that unsatisfying?

TREADWAY: It’s a business: somebody’s got to do it. Yes, it is dirty work and we have a very hard time finding employees and keeping them. Your average construction worker will do one or two jobs—and then he wants out. Not even the good employees want to stay with it. We have to basically recruit non-construction people.

DIMENSIONS: But construction workers have never backed away from dirty work? What’s the difference here?

TREADWAY: There are many reasons—and all of them are valid. Construction people like to build things. In asbestos, you’re tearing things out in a sophisticated form of demolition. That kind of work runs against the grain of a good construction worker.

DIMENSIONS: So where do your employees come from?

TREADWAY: College kids looking for summer work. We do have a heavy turnover, but we pay well—and it’s a good chance for these kids to earn good money for a short period. There aren’t too many summer, temporary jobs paying $16 an hour so they go for it—and they’re idealistic, too, in the sense that they’re helping to improve the environment.

DIMENSIONS: How about management? Is there a turnover here, too?
I can’t imagine the situation to be a whole lot improved over what the workers are facing?

TREADWAY: We have eight foremen and two superintendents in our operation and, yes, they are old timers. Remember, they’re not actually involved in the removal of asbestos all the time so it’s more of a management function with them. But they still get a good dose of what it’s like—and, I admit, it’s not always nice.

DIMENSIONS: Many contractors tell me they don’t get into asbestos abatement work because they’re not certain of their legal liability . . . that an employee may come back years later and sue for a work related illness?

TREADWAY: Any contractor who has employees working on buildings constructed prior to 1979 faces the same legal liability I face. Those buildings utilized asbestos—lots of it—so the asbestos exposure is there. After all, the industry produced and sold more than 800,000,000 tons of asbestos up to 1979.

DIMENSIONS: But your business—because of regulations—has documentation en exposure, is that right?

TREADWAY: You’ve got it. Our documentation proves that we took every step possible to avoid causing injury to an employee, that we’ve tried to do the job safely with existing state of the art technology.

For every job we do, we monitor the air and keep records. We have signed verification forms that we have dumped—in EPA approved dumps—the same amount of asbestos that we removed.

If I ever need to go to court, I have my documentation. I’m not hanging out there, running the risk of not abiding by the regulations—

DIMENSIONS: —and the contractors who assign men to pre-1979 buildings? Are you suggesting they’re at risk?

TREADWAY: I’m not suggesting: I’m stating they are at risk. For a contractor to say he won’t work with asbestos is nonsense. He’s already doing it—every time he sends his crews onto a job where asbestos had earlier been used.

If a wall and ceiling contractor has people doing rehab work in any building that contains asbestos and even if some other contractor tears some asbestos out—creates airborne asbestos particles—all contractors are liable and face potential citations if OSHA discovers the situation. The fines are anything but trivial, too.

DIMENSIONS: So what should a wall and ceiling contractor do about this?

TREADWAY: I’m not the membership person for AWCI, but any wall and ceiling contractor should get himself into AWCI. The association is keeping contractors updated on the state of the art . . . with the new laws and regulations . . . and a contractor can get behind in a hurry if he’s not kept informed.

You can get fined up to $25,000 a day by both EPA and OSHA—and, believe me, that’s reason enough to join AWCI and find out what’s going
“It’s one thing to have asbestos in a warehouse where one man comes in once a month and walks around the floor. It’s something else in a school gymnasium with hundreds of kids running, jumping, bumping into things.”

on. Things are changing too fast to do otherwise.

**DIMENSIONS:** How long will this situation continue? Where do you see the end?

**TREADWAY:** I can’t project that far. But it did take from 1950 to 1979 to construct these buildings. The asbestos must now be removed and replaced. How long will that take—and how many dollars? It’s a big industry anyway you look at it.

**DIMENSIONS:** All the dirt and fuss about removing, scraping away the asbestos has been, in the opinion of some people, overdone. Encapsulating or covering over has been pushed as a good, safe alternative.

**TREADWAY:** As I said, each project must be studied. Encapsulation isn’t a knee-jerk answer. If you paint or coat over asbestos, remember that coatings deteriorate. At best, encapsulation is a temporary measure—and you can scratch through a paint coating awfully easily.

Fred Treadway’s business is a multi-million dollar annual operation and asbestos abatement plays only a percentage role within the full scope of things.

Every project should start with an “exposure assessment.”

**DIMENSIONS:** What’s an exposure assessment?

**TREADWAY:** It’s a fancy way of saying you should evaluate any job carefully before starting. There are eight criteria to determine potential hazards. Some of them are accessibility, friability, amount of asbestos in the material, direct air stream involvement, exposed surface area, water damage—that sort of thing.

It’s one thing to have asbestos in a warehouse where one man comes in once a month and walks around the floor. It’s something else in a school gymnasium with hundreds of kids running, jumping, bumping into things.

**DIMENSIONS:** Public work means public bids. You earlier said there were 300 “competent” contractors around. Isn’t this public money attracting some undesirables?

**TREADWAY:** We’re starting to see contractors who don’t know their costs.

**DIMENSIONS:** How about training . . . expertise . . . experience . . . ability?

**TREADWAY:** In all honesty, some of them aren’t trained adequately. Jobs are actually being done improperly. There is no certification system so the
The majority of jobs probably are being done inadequately.

**DIMENSIONS:** This is a rather important area for ill-trained efforts, isn’t it?

**TREADWAY:** It’s too important to continue without preparing the people who are doing it. Ironically, asbestos is a magnificent product—as long as its fibers don’t get airborne. That’s when the problem starts.

Asbestos was installed wet originally so not a lot of fibers got blown around. Taking it out is a dry or semidry process thus the building and everything in it is contaminated—or at least exposed to potential contamination.

Every member who works on renovation should attend AWCI’s training course just to protect himself. Contractors have a responsibility to learn about this material . . . even if their learning process is not devoted to entering the asbestos market.

**DIMENSIONS:** Let’s get back to encapsulation. You say this is, at best, a temporary solution. What’s the breakdown of encapsulating asbestos vs. removing it?

**TREADWAY:** The preponderence of projects, at least 75%, are removal and replacement. Out of 500 jobs we’ve done, only two were for encapsulating. Encapsulation is the most misunderstood and abused techniques of the three approaches—removal, encasement, and encapsulation.

**DIMENSIONS:** Could you summarize these three approaches, please?

**TREADWAY:** Removal involves tearing away and replacing. An encapsulation has you putting up some kind of barrier between the asbestos and the host victim. Encapsulation means, theoretically, painting or coating to contain the asbestos.

Under EPA, all asbestos must be removed sooner or later. If you encapsulate you’re paying out 75% of the cost to paint—which will later need to be removed anyway. Someone who takes that approach is thus being a penny wise and a pound foolish. It costs maybe $4 a square foot to remove and $3 a square foot to encapsulate. So where is the savings if you must later pay the $4 to remove
anyway. That’s a total cost of $7 a square foot.

That’s what I mean by saying that contractors should educate themselves about asbestos. To be in construction is to be exposed to asbestos. The learning process really doesn’t take all that much. Some 40% of my company’s work is performed for other contractors. It’s a lot easier to deal with a contractor who can speak in my vocabulary.

Many times, design professionals—the ones who write the specs—will call up a contractor to get information. It helps to be able to talk intelligently about this hazard, even if only to advise who are the good, reliable contractors in the business.

**DIMENSIONS:** Fred, what’s the current law regarding fiber size? I understand this is in controversy, too?

**TREADWAY:** The current law allows a maximum employee exposure to two fibers that are greater than 5 micrometers in length per cubic centimeter of air over an 8-hour time weighted average.

This standard is far too lenient because this is the same ordinary exposure of workmen—generally in a removal area. The emergency temporary standard lowered the limit to .5 (that’s point five) fibers per cubic centimeter—but it’s been thrown out and any change in the standard is now pending.

**DIMENSIONS:** In sequence form, would you list the task of setting up for an asbestos removal project . . . just so wall and ceiling contractors can get an idea of what’s involved in this type of work?

**TREADWAY:** I’d say there are about eight steps. In sequence, they could be: 1—seal off the area where removal is to occur; 2—seal off the decontamination room; 3—workers undress and get into their special worksuits, respirators, etc.; 4—provide for filtered air and ventilation in work area; 5—go into work area and wet spray the asbestos, then scrape it off; 6—bag the asbestos debris and place it in barrels; 7—clean up the work area and replace; 8—provide for showers for all personnel each time they leave the sealed off area.

**DIMENSIONS:** That’s just got to be a lot of fun for employees in a sealed off area, in a plastic suit, in the summer time.

**TREADWAY:** It’s tough work for all of us. We all have to go into the sealed off area. Boiler rooms is where the work is really tough because the 180° steam pipes elevate the temperature increasingly as we remove their asbestos covering.

As I said: it might be tough, dirty work, but someone has to do it.