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# \$3.5 Billion Pittsburgh Corning Corporation Asbestos Trust Fund Is Now Operating

Asbestos Litigation

After 16 years of bankruptcy, the \$3.5 Billion asbestos trust of Pittsburgh Corning Corporation (PPG) opened for the business of paying asbestos victims and their families. PPG announced that the payment plan provided for under the asbestos companies bankruptcy reorganization plan effective April 27, 2016. PPG has emerged from Chapter 11 bankruptcy and has been operating under asbestos-related Chapter 11 protection since April 16, 2000.

## ASBESTOS SETTLEMENT TRUST

The Pittsburgh Corning Modified Third Amended POR establishes the [Pittsburgh Corning Asbestos Personal Injury Settlement Trust](#). Scheduled to receive assets valued in excess of \$3.5 billion, the Trust will be among the largest asbestos trusts in the country. It assumes all asbestos-related liabilities related to Pittsburgh Corning and resolves all asbestos personal injury claims, including those filed in the future. The Trust is to be funded by contributions of Pittsburgh Corning, its shareholders (PPG Industries Inc. and Corning Incorporated) and participating insurance carriers. Prior to its emergence from Chapter 11, Pittsburgh Corning and Pittsburgh Corning Europe were equity affiliates of PPG Industries, Inc. and Corning, Inc.

## OWNERSHIP OF THE TRUST

Pittsburgh Corning Corporation will be owned by the Pittsburgh Corning Asbestos Personal Injury Settlement Trust. Pittsburgh Corning Europe was not subject to Chapter 11, but its shares will be contributed to the Trust as part of the Company's Plan of Reorganization by early June 2016. The Company's Modified Third Amended Plan of Reorganization was confirmed by the U.S. Bankruptcy Court for the Western District of Pennsylvania on May 24, 2013, and affirmed by the U.S. District Court of Pennsylvania on September 30, 2014. Appeals were finally resolved on January 7, 2016, which allowed the consummation of the Plan.

## PPC TRUST PAYMENTS

The trust was set up to provide compensation to individuals who had been diagnosed with certain asbestos-related diseases, including lung cancer and mesothelioma, as a result of exposure to PPC's asbestos products. The trust also covers individuals who were exposed to asbestos through PPC's products but have not yet developed an asbestos-related disease.

As of 2021, the trust has paid out over \$4 billion in compensation to claimants. The amount of compensation each individual receives is based on several factors, including the severity of their illness and the length of their asbestos exposure. The trust also covers medical expenses related to the treatment of asbestos-related diseases.

It is important to note that the trust is separate from PPC and is not funded by the company. Instead, it is funded by the insurance policies that PPC had in place at the time the trust was established. The trust is also administered by an independent trustee and overseen by the courts.

## **UNIBESTOS PIPE INSULATION**

Between 1962 and 1972, Pittsburgh Corning manufactured, marketed and sold Unibestos, an asbestos pipe insulation product it acquired from **Union Asbestos and Rubber Company (a/k/a UNARCO, UNR, Inc.)**. The Company was named as a defendant in asbestos-related lawsuits, defending and resolving more than 200,000 claims. Pittsburgh Corning sought Chapter 11 protection in 2000 when it became apparent that defending and settling an additional 235,000 pending claims would exhaust Company resources before they could be resolved.

The PPC corporation purchased the Union Asbestos and Rubber Company's [UNARCO] product line, including UNARCO's Unibestos products, in 1962 that were manufactured at a plant in Tyler, Texas. The plant was shut down following being cited for safety violations by the Occupational Safety and Health Administration.

PPC was named as a defendant in a landmark case against the suppliers of asbestos fiber for their failure to warn of the dangers of being exposed to asbestos products. [Borel v. Fibreboard Paper Products Corporation, 493 F. 2d 1076 - Court of Appeals, 5th Circuit 1973.](#)

## **PRODUCT LIST OF PITTSBURG CORNING**

Unibestos Pipe Covering, Unibestos Insulation, Unibestos Insulating Cement, UNARCO Insulating Cement Semi-Metalic Asbestos High-Pressure Packing, Insutape, Braided Rod Packing, Foam Building Insulation, and Gasoline Packing.

## PPC IS A GLOBAL COMPANY

Pittsburgh Corning emerges from Chapter 11 protection and has reinvented its business. Since its inception almost 80 years ago, the privately held Pittsburgh Corning has grown to serve customers globally. Together with Pittsburgh Corning Europe, the Company operates today as a single worldwide enterprise that is the world's largest producer of environmentally advanced cellular glass insulation and systems. It operates insulation manufacturing facilities in Sedalia, Missouri; Fresno, Texas; Tessenderlo, Belgium; Klasterec, Czech Republic. It recently began production at its new, wholly owned state-of-the-art facility in Yantai, China.

Glass block products are produced in Port Allegany, Pennsylvania.

## FUTURE OF PITTSBURG CORNING

"During Chapter 11, Pittsburgh Corning operated with two major objectives. For the first five years, when emergence seemed to be a few years in the offing, the Company focused on protecting and preserving the assets which would become part of the Asbestos Trust. When it became apparent that Pittsburgh Corning's time in bankruptcy was going to be extended, our focus expanded to include strategic actions designed to reinvent our business to better serve customers worldwide and create a platform for sustained profitable growth for our future shareholders," said James R. Kane, Chairman and Chief Executive Officer of Pittsburgh Corning Corporation. "Today, Pittsburgh Corning has achieved both goals. After 16 years of operating under Chapter 11, the Asbestos Personal Injury Settlement Trust can begin helping people and families. The Company has performed well and is eager to move past Chapter 11 and toward a promising future."

Pittsburgh Corning has now implemented strategic initiatives that have improved service to customers and created shareholder value. Significant capital investments have been made at plants in the United States, Canadian gambling sites with Interac payment and Europe to improve safety and productivity and reduce delivery time and costs. With the addition of the new operation in China, the Company's base of operations has expanded to be closer to its customers on three continents.

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