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UCC-CALIDRIA
NIAGARA FALLS, N.Y.

METALS DIVISION - "CALIDRIA" ASBESTOS

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: International Building Products Inc.
5300 Tchoupitoulas St.
New Orleans, Louisiana 70115

INDUSTRY CLASIFICATION: Asbestos Cement Sheets

SALESMAN: R. E. Byrne & T. P. Norris REGION: WESTERN DATE OF CALL: April 6, 1982

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

/ / MSDS
/ / Health & OSHA Information Blue Book
/ / Dust Count Report
/ / Other, specify below

PLAINTIFF'S EXHIBIT
Union Carbide 613

PERSONS INTERVIEWED: Gerald N. vonDohlen, President
Ray A. Plauche, V.P. Mfg.

CALL OBJECTIVE:

Explore potential for Calidria Products.

RESULTS OF CALL:

Gene Prescott, Chairman of the Board, contacted the Corporate Acquisitions & Divestitures Department in early February, 1982 with an interest in purchasing the King City, California plant (letter attached). Based upon information supplied in the letter, the writer contacted Mr. Prescott to explore areas of mutual interest.

Their interest originated with Coalinga Fiber samples provided them by Atlas Asbestos and analyzed for potential applications in asbestos cement sheet. The test work was completed at the Ontario Research Foundation, Ontario, Canada, and indicated a postive contribution in strengthening the sheet. (Research data attached)

Heretofore it was assumed that the Coalinga fiber had two serious drawbacks -- short fiber and poor drainage characteristics. The Canadian Groups 4 to 6 were accepted and used to provide strength in the sheet and as the fiber length shortened increasing amounts of Amosite asbestos were used to speed up the drainage. However, recent technology has proved that fiber lengths as short as 7D with proper drainage aids such as Sodium Silicate/Tamol can be utilized effectively and still meet the critical requirement of Modulus of Rupture. To confirm this fact the Ontario Research Foundation evaluation of the Coalinga Fiber indicated that although the fiber was short by comparison to Canadian grades its strength

characteristics equaled Groups 4 to 6 depending upon the method and length of processing. The traditional mechanical dry method damaged the flakes and failed to separate them into individual fiber bundles or fibers. Significant and unexpected sheet strength were observed using the wet method of processing on apparent short fiber bundles. Thus, the interest of International Building Products Co. is in our wet processing method as a means of utilizing shorter fiber at lower cost but not sacrificing sheet strength. It should be commented on here that the asbestos samples provided by Atlas Asbestos were not from their mine site, as they were reported to be, but from a location 10-12 miles from the Atlas deposit. The samples have the appearance of JIG-FLAKE; compacted fiber bundles that act like long fibers. At present we do not know the location of the deposit but expect this information soon.

Our meeting today included a presentation of the "Calidria" story and a tour of their production facilities. At present they are evaluating asbestos samples from South Africa, Mexico and all the major Canadian producers. Their intention is to purchase the shortest fiber, consistent with approved sheet strength, at the lowest cost. Mr. vonDehlen indicated that J. M. increased their prices 8% in January, 1982, but because of heavy inventories at all Canadian plants, discounts of 15% from the 1981 price list are common.

They are using approximately 6,000/8,000 tons of asbestos fiber/year and of that amount 60% is J. M. Paperbestos No. 5 and 7D. Their success in utilizing the shorter grade 7 is predicated on the Bauer-McNett test results of 70-80% -200. Because of the strength of the U. S. dollar versus the Canadian dollar (currently discounted at 15%), and discounts of 15% from the 1981 Canadian price list, delivered prices into New Orlenas for the above grades are from $269.00 to $289.00/ton.

We are providing bag samples of SG-130 and SG-144. It is thought that the coarse grinds of the two grades will provide similar reinforcing fiber bundles as the Atlas AZ 8. International Building Products will run the Bauer-McNett test to determine our results of the -200. Based upon these results we may be required to originate a new grade with a coarser grind than SG-144 or attempt to process the AZ 8 type material through the King City plant.

An ideal situation for UCC would be to ship bulk cars of SG-104 and through utilization of a Repulper, IBP could grind the pellets as coarse or fine as they require. Delivered cost of SG-104 (bulk cars) would be around $208.00/ton.

The substitution of the longer Canadian fiber with our "Calidria" would not be unique to IBP. Years ago in the production of Mineral Fiberboard the strength and hardness of the board was achieved by the addition of Canadian 5R or 5K. That "State of the Art" existed until the King City plant was formally opened for business. Researchers from the Conwed Corporation, Cloquet, Minnesota, were sampled with HPO and eventually wrote a patent written around our deposit and wet method of processing asbestos fiber that proved the colloidal dimensions of HPO would provide the same strength characteristics as the longer 5R-5K. For several years Conwed Corp. purchased 120 ton/month of HPO and reformulated to asbestos-free mineral board only after the OSHA regulations were in effect.

In Japan, two customers have been granted licenses from Certainteed Corp. for extruding asbestos/cement pipe. In this application SG-100 replaced Carey 7 MS-I. This is non-pressure pipe used for such applications as house to sewer connections, etc., and is not to be confused with A/C pipe produced on a mandrel and utilizing Groups 4 and 5 for an exceptionally high strength high-pressure pipe used in commercial applications.

In summary it should be commented that a serious inquiry into purchasing our King City operation will give us our first and probably most complete evaluation into a market area that offers us enormous potential if successful.

FOLLOW-UP ACTION REQUIRED:

T.P.N.

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