CUSTOMER CALL REPORT

CUSTOMER & LOCATION Steelcase, Grand Rapids, MI

INDUSTRY CLASSIFICATION Structural Foam

SALESMAN Edward J. Kleber with M.S.Leung

REGION Midwest

DATE OF CALL 7/27/77

PRODUCTS DISCUSSED:

Cr	Mn	Spec.	Si	CaC_2	W	V	Asb.	Other:
☐	☐	☐	☐	☐	☐	☐	X	

PLAINTIFF'S EXHIBIT UC-519

PERSONS INTERVIEWED: Steve Kolk - Materials Engineer

CALL OBJECTIVE: Find out Steelcase's decision on whether ot go ahead with RG-600 in their office chair shells.

RESULTS OF CALL: Steve molded the part and found that the physicals were all we said they were and maybe even better. Unfortunately, in this application we just simply were not cost competitive. Steve, who has been very open throughout the evaluation, laid out the comparative costs.

The objective at Steelcase was to replace neat polystyrene with polypropylene filled with RG-600. We had told Steve that RG-600 in PP could meet the high stiffness levels attainable with PS and also improve other properties, such as HDT, etc. Also, if successful, the replacement of PS with PP in this product line would mean one less resin for Steelcase to handle.

As noted earlier, the cost factor was our demise. Below is a table showing comparative costs.

Material	Shell Weight*	Resin Cost/Pound	Material Cost Per Shell
Polypropylene	7.5 lbs.	$.345	$2.59
Polystyrene	8.8 lbs.	$.30	$2.64
PP/14% RG-600	8.0 lbs.	$.364**	$2.91

* Weight variance due to differing material densities.

** Calculated cost. Assumed $.30/lb. for RG-600 + $.10 compounding charges. Steelcase used 65% PP and 35% RG-600/PP concentrate.

The numbers tell the sad tale. Our only hope here is that polystyrene prices will return to their former level of approximately $.38/lb. At that price a shell would cost $3.34 each and we would be in business.

FOLLOW-UP ACTION REQUIRED:

EJK - Keep an eye on PS prices. Steve will definitely keep us in mind if the economics are right.

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J.E.Lenahan

Typed 8/1/77 cjb