Calidria ASBESTOS

c for T. P. Norris
W. C. Thurber
J. E. Walsh
KC-File
NF-File
F. Baukert (Moorestown)
G. E. Bernard (Hack.)
G. L. Dickson

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

PLAINTIFF'S EXHIBIT UC-595

G. L. Dickson,
J. L. Myers
By F. Baukert

Date 4/28/75

Full Name GAF Corp. 1139 Lehigh Ave. Address Whitehall, PA 18052 Mfrs. of (215) 264-0591	Interviewed B. (Bernie) J. O'Leary, Purch. Agt. Ullrich Kempf, Plant Tech Mgr.

OBJECTIVE

Generate sales of "Calidria" asbestos for paper felt backing used on vinyl roll goods.

DISCUSSION

They use 50,000 TPY of JM asbestos at this location:60% Paperbestos-5 and 40% Grade 7M. They receive asbestos in repulpable bags and add them to hydrapulpers without opening. They have had no supply problems and experience no dust problems except for an occasional broken bag. They are interested in our fiber because of the higher fiber liberation and possibility of reducing asbestos consumption. They have no interest in bulk because of the capital expense, and they do not receive any other dry materials in bulk. Although they requested samples of SG-102 and SG-130 for evaluation, there appears to be little hope of success unless they would want or need an alternate supplier. They do not need brightness as they use TiO_2 only in the printed sheet. They use no thickeners in the ink they produce.

NOTE: Our best hope is that Bernie Jast tells O'Leary that he can't use "Calidria." O'Leary would use it in spite of Jast as he "hates his guts."

ACTION

GLD

1. Send samples and pricing information.
2. Obtain sample of PB-5, if we don't have it, and have it evaluated.
3. Follow-up with Kempf in 3-4 weeks.

Typed 5/2/75
et

Calidria ASBESTOS

c for T. P. Norris
W. C. Thurber
J. E. Walsh
KC-File
NF-File
F. Baukert (Moorestown)
G. E. Bernard (Hack.)
G. L. Dickson

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

G. L. Dickson,
J. L. Myers
By F. Baukert

Date 4/28/75

Full Name GAF Corp. 1139 Lehigh Ave. Address Whitehall, PA 18052 Mfrs. of (215) 264-0591	Interviewed B. (Bernie) J. O'Leary, Purch. Agt. Ullrich Kempf, Plant Tech Mgr.

OBJECTIVE

Generate sales of "Calidria" asbestos for paper felt backing used on vinyl roll goods.

DISCUSSION

They use 50,000 TPY of JM asbestos at this location:60% Paperbestos-5 and 40% Grade 7M. They receive asbestos in repulpable bags and add them to hydrapulpers without opening. They have had no supply problems and experience no dust problems except for an occasional broken bag. They are interested in our fiber because of the higher fiber liberation and possibility of reducing asbestos consumption. They have no interest in bulk because of the capital expense, and they do not receive any other dry materials in bulk. Although they requested samples of SG-102 and SG-130 for evaluation, there appears to be little hope of success unless they would want or need an alternate supplier. They do not need brightness as they use TiO_2 only in the printed sheet. They use no thickeners in the ink they produce.

NOTE: Our best hope is that Bernie Jast tells O'Leary that he can't use "Calidria." O'Leary would use it in spite of Jast as he "hates his guts."

ACTION

GLD

1. Send samples and pricing information.
2. Obtain sample of PB-5, if we don't have it, and have it evaluated.
3. Follow-up with Kempf in 3-4 weeks.

Typed 5/2/75
et

Published by AsbestosClaims.Law
asbestosclaims.law/library/15832/2

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF Corporation Wayne, NJ

INDUSTRY CLASSIFICATION: Floor Tile

SALESMAN: John L. Myers w/ G. L. Dickson & T. P. Norris

REGION: Eastern

DATE OF CALL: 10/21/80

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Mrs. R. A. Munn - Asbestos Buyer
Mr. L. G. Lyons - Previous Asbestos Buyer

CALL OBJECTIVE:

Determine balance of 1980 and 1981 requirements at Long Beach and Vails Gate.

RESULTS OF CALL:

Discussed our 1981 plant cost projections and the reasons for same. They have plants in California so are aware of the energy situation. Long Beach should require 200-250 TPM minimum. They expect more if Flintkote discontinues tile production in California (their last U.S. plant). Vails Gate is about to complete lengthy study aimed at reducing asbestos content of tile and they are still looking at NAT. The evaluation includes cost/performance comparison between Calidria and Carey asbestos. We advised them of our 1981 "proposed" pricing (which does not have management approval): $136/T with a $4/T freight allowance, or $132/T for Vails Gate. This is an 8% increase and Mrs. Munn advised that Carey's increase would be considerably less and hopes that we can do something to "help" them buy from us. We pointed out that we provide 70 and 90# bags, at their request, to LB & VG respectively; that our asbestos is pelletized, brighter and contains more fiber; and that we have been a more dependable supplier (no union or bankruptcy problems at King City). We promised to get back in a couple of weeks with a firm pricing proposal. If we want the business we will probably have to make some price concession based on volume, such as reducing the LB price by $4/T for all tons over 4500 (total for both plants).

OVER

FOLLOW-UP ACTION REQUIRED:

1. Provide firm pricing ASAP (JLM).
2. Advise Mrs. Munn our inventory of empty 90# bags (GLD).
3. Obtain "red & black" bags from KC for GAF's evaluation and potential use (GLD).
4. Determine requirements and get orders for balance of 1980 (GLD).

COPIES TO: JRL:TPN:~~WCT~~:JEW:KC-FILE:NF-FILE

NF PERMANENT FILE ☐

dal 10/23/80

Their original estimate of 6000 tons for VG was considerably high. We advised that we could only supply a total of 6000 tons to both plants unless we lost other business in 1981 due to price increases.

From all indications, they do not expect Atlas to operate in 1981 unless someone buys them out, which seem unlikely. Apparently, VG will use 70# bags if we choose not to supply 90# bags. We hastened to note that we'd like to use up our inventory of empty 90# bags.

Orders for November & December are not firm yet but should soon be available. We advised them that we would not produce 90# bags until we have their firm order.

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF Corporation, 1361 Alps Road, Wayne, NJ 07470

INDUSTRY CLASSIFICATION: Vinyl Floor Tile

SALESMAN: Gordon L. Dickson & John L. Myers

REGION: Eastern

DATE OF CALL: 8/27/80

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Frank Hubbard - Director of Purchasing
H. Philip Farnham - Vice President
Rose Ann Munn - Asbestos Buyer (not seen)

CALL OBJECTIVE:

1) Meet new purchasing staff.
2) Discuss 1980 and 1981 Calidria tile grade asbestos requirements.

RESULTS OF CALL:

A very pleasant first meeting with both Frank and Phil. Frank, was was hired a few months ago from Exxon, has replaced Gunther Weierstall, who is no longer with GAF. Phil has been with the company for over a year, and is Frank's boss, although we did not find out his other responsibilities. The main theme that came out of our visit is that the purchasing philosophy at GAF is going to be drastically changed from what it has in the past. This has already been evidenced from the change in purchasing personnel and their attitude towards a better relationship with their suppliers. Both men appear very straightforward and responsive, and hopefully more reliable than some of our former contacts here. Larry Lyons, who has been replaced by Rose Ann Munn, is still present but no longer involved with asbestos purchasing. We did not see Bernie Jast, as he and Rose Ann were at their plant in Binghamton, NY, and are not sure if he is still overseeing the purchases of asbestos.

Discussed the situation at Atlas and got the impression from both men that they felt that Atlas was out of business for good. There was a rumor that someone else had recently put up some money but they had no confirmation on this. Apparently they had been buying Atlas for $105/Ton which means they will be paying a $17/Ton penalty from us if Atlas fails to reopen.

(OVER)

FOLLOW-UP ACTION REQUIRED:

Keep in close contact with their Wayne, NJ purchasing people.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE :JLM

NF PERMANENT FILE ☐

dal 9/8/80

Although the odds are very good that we will get business from their Long Beach plant in 1981, it is doubtful that Vails Gate, NY will purchase any unless a substantial price concession is made on our part. Our immediate approach to obtain some sales here will stress the advantages of SG-103 in special grades, i.e., where brightness is being obtained thru the use of titanium dioxide.

Published by AsbestosClaims.Law
asbestosclaims.law/library/15832/6

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF Corporation, 1361 Alps Road, Wayne, NJ 07470

INDUSTRY CLASSIFICATION: Corporate Purchasing

SALESMAN: Gordon L. Dickson REGION: Eastern DATE OF CALL: 5/26/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED: Rose Ann Munn - Buyer

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

For all practical purposes Rose Ann has nothing to do with purchasing by their floor tile plants as all she does is make out the required blanket orders. The individual plants issue the releases at their direction which has provided them greater autonomy. This apparently has developed in anticipation of their being bought by another company which may be imminent. According to Rose Ann there is a letter of intent from a Swedish company, although she could not remember the name, which indicated they were in agreement to buy the two vinyl tile plants plus the vinyl sheet operation in Whitehall, PA.

FOLLOW-UP ACTION REQUIRED:

No further visits required here unless something new developes. Future efforts should be made only at their plants.

COPIES TO: GML:TPN:JEW:KC-FILE:NF-FILE NF PERMANENT FILE ☐

dal 5/29/81

CUSTOMER & LOCATION: GAF Corporation
1361 Alps Road
Wayne, NJ 07470

INDUSTRY CLASSIFICATION: Vinyl Floor Tile

SALESMAN: Gordon L. Dickson REGION: Eastern DATE OF CALL: 2/24/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED: Rose Ann Munn - Buyer, Corporate Purchasing
Larry Lyons - Senior Buyer

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

GAF's Long Beach plant has ordered 12 truckloads of SG-103 for March pickup, as compared to their normal requirement of 9. Rose Ann was not sure if this was because of an increase in their west coast business or merely an inventory adjustment. Regarding their Vails Gate plant she gave the impression that only two cars, or the equivalent amount by containers, would be ordered every month. It was subsequently found out that the two cars per month limit originated by their plant personnel, although the person making this decision remains unknown.

FOLLOW-UP ACTION REQUIRED:

Maintain normal contact.

COPIES TO: NF-FILE ONLY NF PERMANENT FILE ☐

dal 2/27/81

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF, 1361 Alps Road, Wayne, NJ 07470

INDUSTRY CLASSIFICATION: Vinyl Floor Tile

SALESMAN: Gordon L. Dickson REGION: Eastern DATE OF CALL: 2/14/79

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Bernie Jast - Manager of Purchasing
Lawrence Lyons - Senior Buyer

CALL OBJECTIVE:

Account maintenance

RESULTS OF CALL:

A very short talk with Bernie who had just returned from a week of skiing in Quebec. Only worthwhile comment was that the price of our SG-103 was too high and that it was very difficult for them to buy it. So far this year they have purchased 150 tons/month for their Long Beach plant, but as of 2/20 we have received no orders for March. Questioned Larry on this and he stated that they were behind on their ordering and that he was not sure what they would be buying from us in March, in fact, they might not be buying from us anymore this year, the reason being strictly a matter of cost.

FOLLOW-UP ACTION REQUIRED:

GLD - Check with Larry Lyons 2/25 on orders for March if an order has not been received by then.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE JLM NF PERMANENT FILE ☐

dal 2/23/79

CUSTOMER & LOCATION GAF Corporation Wayne, NJ

INDUSTRY CLASSIFICATION Floor Tile

SALESMAN John L. Myers w/ G. L. Dickson

REGION

DATE OF CALL 7/31/79

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

G. Weierstall - Director of Purchasing
B. Jast - Purchasing Manager

CALL OBJECTIVE:

Determine GAF's intentions regarding asbestos purchases for balance of 1979 and future, and to advise them we no longer feel obligated to supply them 300 TPM at Long Beach if they need it.

RESULTS OF CALL: BACKGROUND

In 1978 we supplied Long Beach with 2746 tons and Vails Gate with 248 tons, per attached summary. We supplied LB all their requirements for part of the year because Atlas was shut down. In the last half of 1978, GAF financially assisted Atlas to resume operations and agreed to purchase essentially all their requirements (10-12,000 TPY) from them. GAF told us in late 1978 that they would try to purchase 1/2 of LB requirements (150 TPM) from us and we said we would try to supply all LB requirements (300 TPM) if Atlas faltered. Through July of this year we have shipped 364 tons to LB, an average of 52 TPM, and none to Vails Gate. Our price for bagged product is $118/T and Atlas price is thought to be $85-90/T. GAF continues to insist that they are not meeting their Atlas committment due to low tile production at both plants and that is why they have bought so little from us.

GAF's first question was whether or not we could supply all their requirements, ~12,000 TPY. We said no; but, as of now, we could supply 300 TPM to LB and 200-300 TPM to Vails Gate. We added that we could not "reserve" any product for them and we were attempting to sell out the plant to others. We got the feeling that Atlas was "in trouble" but GAF would not confirm this. We noted that their competitors were buying from us, at a price penalty, because we supplied them well during the Atlas shutdown and Canadian strike. GAF's main concern is that if they buy from us, Atlas will shut down and we will raise prices indiscriminately. We tried to explain that our other customers would prevent us from "holding

(OVER)

FOLLOW-UP ACTION REQUIRED:

(See reverse side)

COPIES TO: JRL:TPN:GRA:JEW:KC-FILE:NF-FILE:FJS/RWR:RFXF/JJS G. Heggland

NF PERMANENT FILE ☐

dal 8/7/79

"CALIDRIA" ASBESTOS

1978 & 1979 GAF CORPORATION PURCHASES
(Tons)

	1978		1979	
	Long Beach	Vails Gate	Long Beach	Vails Gate
January	235	0	140	0
February	208	0	137	0
March	279	0	12	0
April	114	0	0	0
May	397	0	75	0
June	467	0	0	0
July	257	177	0	0
August	138	211	-	-
September	297	(140)	-	-
October	276	0	-	-
November	70	0	-	-
December	7	0	-	-
Total	2746	248	364	0
Total	2994		364	
Monthly Average	250 Tons		52 Tons	

GLD/rmm-7/30/79

CUSTOMER & LOCATION GAF Corporation
Route 94
Vails Gate, NY 12584

INDUSTRY CLASSIFICATION Floor Tile

SALESMAN Gordon L. Dickson REGION Eastern DATE OF CALL 12/1/80

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Howard Key - Buyer
Joe Kardel - Technical Superintendent
Robert L. dePree - Plant Manager

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

Only spoke to Howard and Bob over the phone as both were too busy to talk in person. About the only information received was that they were not having any problems with our tile grade fiber and that their shipments were arriving in good condition. Joe reported that he has always liked our product, that it is whiter even than Atlas, and that he can use somewhat less. However, he feels that he can only go so far in reformulating as their production people get upset. The only big drawback with "Calidria" is the outrageous price. As can be imagined, the announcement that it was going up about 9%, as compared with 5% for Canadian, did not further our case here.

FOLLOW-UP ACTION REQUIRED:

Maintain contact on a basis which will be leased on how their corporate purchasing group reacts to our formal price schedules for 1981.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE :JLM NF PERMANENT FILE ☐

dal 12/17/80

NING & METALS DIVISION
)MPETITIVE PRICE REPORT

SALES OFFICE LOCATION: Niagara Falls, New York

DATE OF REPORT: 11/18/80

EFFECTIVE WITH RECORD NO.

ODUCT: "Calidria" Asbestos

ADE: SG-103-9

SIZE:

PACKAGE: 90 lb. bags

PRICE BASIS: ☐ 15 N.T. ☐ LESS THAN 15 N.T.

STOMER AND DESTINATION: GAF Corporation, Vails Gate, New York

PRICE

COMPETITIVE INFORMATION

COMPETITOR: Carey Canadian Mines Ltd.

COMPETITIVE PRICE: C$98-105/Ton

UCM PRICE: $136/Ton*

ALLOWANCE RECOMMENDED: $ $4/Ton

QUANTITY: ☐ THIS ORDER ☒ THIS PERIOD

VALID PERIOD: FROM 1/1/81 TO 12/31/8

RATE BASIS

☐ BARGE ☐ CARLOAD ☐ LESS CARLOAD

☒ ~~TRUCKLOAD~~ Container ☐ TRUCKLOAD - DUMP ☐ LESS TRUCKLOAD

COMPETITIVE INFORMATION

COMPETITIVE SHIPPING POINT: East Broughton, Quebec, Canada

RATE $ PER ☐GT ☐NT ☐CWT

M&M DIV. SHIPPING POINT: King City, California

RATE $ PER ☐GT ☐NT ☐CWT

ALLOWANCE RECOMMENDED: $ PER ☐GT ☐NT ☐CWT

EVIDENCE IN SUPPORT OF COMPETITIVE OFFER

(IN ACCORDANCE WITH POLICY AND PROCEDURE MANUAL SECTION 304, SUBJECT 304.03)

We have been advised by Rose Ann Mun, GAF Corporate purchasing, that Canadian tile grade asbestos will be available in 1981 for C$98-105/Ton F.O.B. mine. In order to maintain any business at this plant it will be necessary to partially meet the competitive situation and lower our scheduled price from $136/Ton to $132/Ton. Even at this price we will not be price competitive because of the large difference in our delivered costs and that of Carey. As an incentive to achieve as much business as possible at Vails Gate, we will reduce the price for SG-103-7 to Long Beach from $136 to $132/Ton after the Vails Gate and Long Beach combined tonnage exceeds 4500 Tons in 1981.

*Subject to any change in schedule price.

LESMAN (SIGNATURE): G. L. Dickson am

REGION MANAGER (SIGNATURE): A. F. Myers 11/19/80

APPROVED:

Published by AsbestosClaims.Law
asbestosclaims.law/library/15832/13

CUSTOMER & LOCATION GAF Corporation Vails Gate, NY 12584 INDUSTRY CLASSIFICATION Vinyl Floor Tile

SALESMAN Gordon L. Dickson REGION Eastern DATE OF CALL 7/10/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Howard Key - Purchasing Agent
Joe Kardel - Plant Technical Superintendent

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

GAF has ordered 2 cars/month of SG-103 this year. Our objective is to raise this to at least 3 cars/month but to date have had no success. Somewhere along the line someone in their organization appears to have set a limit on 2 cars a month but we have not been able to find out who it is or why. Although SG-103 is much more expensive on a delivered basis Joe admits that it is more efficient than Canadian fiber and also reduces their titanium dioxide usage. The reported price of rutile TiO_2 is now 69¢/lb. and will probably be increased to 76¢/lb. the first of August. However, this has not changed Joe's opinion that they can econmically use more of our fiber. According to Howard the delivered cost of Carey asbestos is about the same as the FOB price for SG-103 ($132/ton). Thus the present freight cost of $5.24/100 lbs. ($104.80/ton) represents the penalty that they pay in order to use our material.

FOLLOW-UP ACTION REQUIRED:

COPIES TO: GML:TPN:JEW:KC-FILE:NF-FILE NF PERMANENT FILE ☐

dal 7/21/81

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF Corporation, Vails Gate, NY 12584 — INDUSTRY CLASSIFICATION: Vinyl Floor Tile

SALESMAN: Gordon L. Dickson — REGION: Eastern — DATE OF CALL: 4/16/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Bob DePree - Plant Manager
Howard Key - Purchasing Agent
Joe Kardel - Plant Technical Superintendent

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

First meeting with Bob DePree, their plant manager. The situation here is pretty much normal in that they still refuse to purchase more than 2 carloads of SG-103 per month. Price is the only problem, and they maintain that our tile grade asbestos can only be used economically in their light colored grades. Prospective buyers continue to inspect their plant, including Kentile, Amtico, Congoleum, etc., but Howard feels that Dart Industries may have already made them an offer.

According to Joe and Howard the price of TiO_2 has not changed but they expect an increase the first of May.

FOLLOW-UP ACTION REQUIRED:

LJG - In the future please send notices of shipments to Howard Key, not to their purchasing people in Wayne, NJ.

GLD - Maintain close contact.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE — NF PERMANENT FILE ☐

dal 4/23/81

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: GAF Corporation Vails Gate, NY 12584 — INDUSTRY CLASSIFICATION: Vinyl Floor Tile

SALESMAN: Gordon L. Dickson — REGION: Eastern — DATE OF CALL: 2/25/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

Joe Kardel - Technical Superintendent
Howard Key - Purchasing Agent

CALL OBJECTIVE: Account maintenance

RESULTS OF CALL:

No unusual developments here since last visit. About 6 companies have inspected their plant since GAF's announcement that their tile operations were up for sale. Both domestic and foreign tile producers appear to be interested. Today it was Congoleum's turn, although they have not been in the floor tile business for a number of years.

Vails Gate's present policy is to purchase two cars of SG-103 per month. It is going only into their white grades where there is a savings in TiO_2 costs and a lower asbestos content. It would be used to a much greater extent but in the dark grades the price is prohibitve according to Joe. The two car per month limit is a plant edict, according to Howard, but it is very vague who made this decision. Joe appeared somewhat surprised that there was any kind of a quantity limit and he gave the impression that they should be purchasing enough to satisfy their white production needs. Howard also felt that we had placed a 2 car limit on them, which was quickly refuted. At the present time their use of SG-103 is such that it approximates their purchases and they have been unable to build up a satisfactory inventory. It was suggested that they review their present purchasing policy and obtain additional product so as to eliminate this problem of short inventories.

According to both men the published price increase of TiO_2 has not effected them to date, and that the present price of imported material is expected to hold until the second quarter of this year.

FOLLOW-UP ACTION REQUIRED:

Maintain close contact as it is becoming more evident that the plant, and not the purchasing department in Wayne, NJ, is the key to increased asbestos sales.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE:JLM — NF PERMANENT FILE ☐

dal 2/27/81

CUSTOMER CALL REPORT

GAF Corporation
Building Materials Group
Rt. 94

CUSTOMER & LOCATION Vails Gate, NY 12584

INDUSTRY CLASSIFICATION Vinyl Floor Tile

SALESMAN Gordon L. Dickson REGION Eastern DATE OF CALL 1/13/81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

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

PERSONS INTERVIEWED:

J. J. (Joe) Kardel - Plant Technical Superintendent
Howard P. Key - Purchasing Agent
Robert DuPree - Plant Manager (not seen)

CALL OBJECTIVE:

Account maintenance

RESULTS OF CALL:

(Had an appointment with Bob DuPree, who, according to Joe, wanted to see me. However, their plant engineer quit on the preceding day and Bob was acting as both plant manater and engineer and was having problems.)

According to Howard they are buying Carey 7TS-3 for "about" $100/ton which cost them "about $33/ton in freight charges". Thus the "about" $133/ton delivered cost is "about" the same as our King City price of $132/ton for SG-103-9. The freight from King City to Vails Gate is $99/ton so they feel that it is costing them acout $100/ton to use our material. They were under the impression that our price was $136/ton but it was explained to them that the price was only $132/ton east of the Mississippi. This is not significant based on the involved economics, but at least it indicates to them that we are interested in supplying a portion of their asbestos requirements.

There are several advantages with "Calidria" vs. Carey but a recent study showed that they were still paying a penalty for using our material. It is now being used in all of their white grades as it represents a "considerable" savings in titanium dioxide. They are using only imported TiO_2 which is cheaper than domestic, and which has not experienced the recent 6-7¢/lb. price increase which has been reported in several trade papers. It is possible that the foreign material will follow the U.S. increase at a later date which

(OVER)

FOLLOW-UP ACTION REQUIRED:

GLD - Put more attention on this location.

COPIES TO: JRL:TPN:JEW:KC-FILE:NF-FILE :JLM NF PERMANENT FILE ☐

dal 1/16/81

WALL STREET JOURNAL,
Wednesday, December 31, 1980

118181

GAF Plans Sale Of 8 Units, Sees 4th Period Loss

ROS = 2.4% in 1979

Businesses Made Up 45% of Sales Last Year; Analysts Are Surprised by Action

By Ann Hughey
Staff Reporter of The Wall Street Journal

NEW YORK—GAF Corp., in a move that surprised many observers, said that it wants to sell eight businesses that accounted for about 45% of its sales last year and that it will take a "major" loss in the fourth quarter.

GAF's chairman, Jesse Werner, said at a news conference yesterday that the company intends to concentrate on its largest and most profitable operations, building materials and specialty chemicals. The businesses up for sale include commercial blueprinting, commercial photography, flooring, vinyl siding, and a classical-music radio station in New York.

The company has established a $265 million reserve to cover possible losses and costs of the sell-off plan of which $50 million is designated to cover pension fund obligations. That $265 million represents the biggest loss GAF thinks it could incur from the sales. Actual losses could be somewhat less, and Mr. Werner said a tax benefit of $75 million related to the reserve will be available against future earnings.

GAF's earnings in 1979 fell 7% to $28.2 million, or $1.62 a share, from $30.4 million, or $1.97 a share, in 1978. The slide has continued this year, with third quarter earnings falling 61% to $4 million, or 23 cents a share, from $10.3 million, or 59 cents a share, a year earlier.

"In the present economic climate, the company can't achieve the cash flow necessary in the next few years to support the concurrent growth of all these businesses," said Mr. Werner. He cited high interest rates as a major factor in the decision. "Interest on all our debt will run approximately $30 million this year, consuming a large part of our operating profit and denying funds required for normal corporate purposes," he said.

Mr. Werner said that the businesses the company is keeping accounted for sales of $675 million in 1979 and about 92% of direct

First Manhattan Co. said, "They have not been bold in the past." In 1977 GAF sold its consumer photographic business, advertised by actor Henry Fonda, but, Mr. Fernandez said, "That was little more than a teaspoonful." However, at the time the sale was heralded as the move that would revive the company.

Analysts have believed for several years that the company was stretched thin, spending too little money on too many enterprises. Said one observer: "Jesse ran this thing like a fiefdom. These were his little hobbies. This baby was just sitting there waiting to happen." That observer and others suspect that someone other than Mr. Werner forced the decision. "In my own mind there is some relationship with the coming on board of the new president," said analyst Jack Kavanagh of Merrill Lynch, Pierce, Fenner & Smith Inc.

Richard Fleming, the 56-year-old president, arrived at GAF last summer from Air Products & Chemicals Inc., where he was an executive vice president and director. GAF spokesmen note that a study that led to the decision to sell the eight units began before Mr. Fleming's arrival.

Mr. Werner, who is 64 and is expected to retire next year, has been with the company since 1938. He became chief executive officer in 1962, when GAF was still in the hands of the government. In early 1942 the company was taken over by the government and administered by the Office of Alien Property. GAF became publicly held in 1965.

The move to sell off businesses as well as the expectation that a new management team will be in charge soon pleases Wall Street observers. "On balance it's a plus. I would have to think their earning power is greater than they had before," said Merrill Lynch's Mr. Kavanagh, who is heartened by Mr. Werner's assurances that the 20 cent quarterly dividend won't be cut.

The businesses they have left are good. It's very positive. They got rid of almost all the problems," said Mr. Fernandez.

Mr. Werner said potential buyers, both domestic and foreign, have expressed interest in the businesses being offered for sale. The proceeds will go to reduce debt and to expand retained operations. Mr. Werner spoke of "the wrenching decision" and was overheard after the news conference expressing particular regret over the loss of the classical music station WNCN. Earlier he said he hoped WNCN will be bought by an enterprise that "will cherish this independent, tax-paying, nonsubsidized cultural institution." GAF bought WNCN in 1975 after it had been transformed by its former owner into a hard rock station.

Published by AsbestosClaims.Law
asbestosclaims.law/library/15832/18

GAF plans a huge sell-off

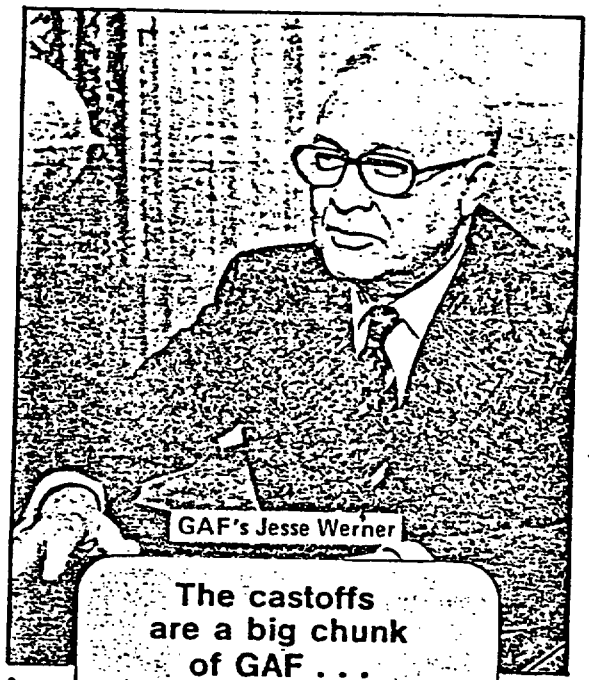
GAF, as one observer puts it, "is about to take the great bath." In a surprise announcement last week, Chairman Jesse Werner unveiled plans to sell off eight businesses that in 1979 accounted for 43% of the company's $1.2-billion sales. "From now on," Werner declared, "we will concentrate our efforts and capital on our two largest operations—building materials and specialty chemicals."

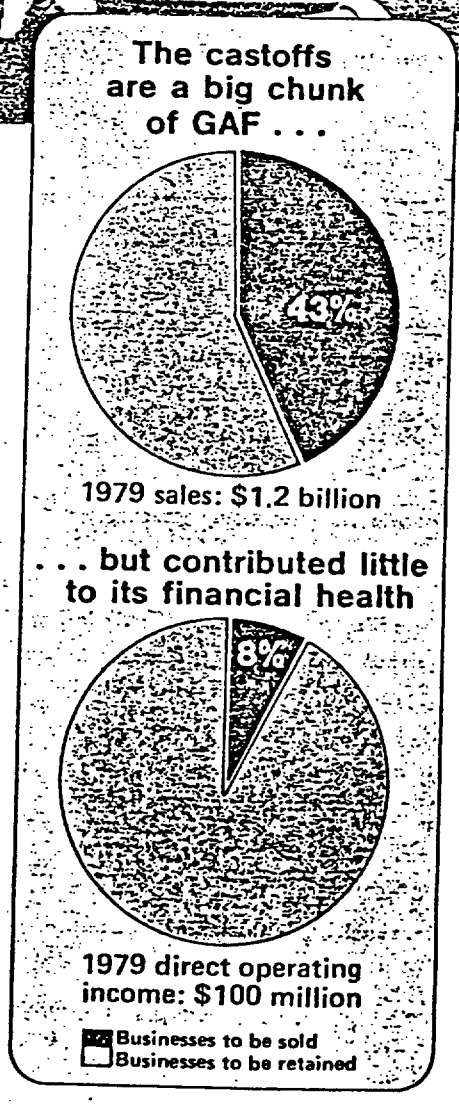
GAF expects to use a large part of the proceeds from the sales of the businesses, which have assets valued at $400 million, to help reduce its debt load. The company's debt-to-equity ratio is now about 83%, and interest on debt is running approximately $30 million this year. As Werner sees it, "This program is a strategic plan to meet the enormous pressures of the rampant increase in the cost of capital."

Of course, the plan itself will carry a sizable cost for the company. A $265-million reserve to cover the cost of restructuring is being charged against the fourth quarter, assuring a hefty loss for 1980. And, while GAF expects to continue operating the businesses until they are sold, the jobs of more than 7,000 employees lie in the balance.

Furthermore, the consolidation strategy represents a tacit acknowledgement by management that the game plan of growth through diversification just won't work. GAF's sales have risen steadily in recent years, but earnings have failed to keep pace. Even the dismantling of the company's consumer photography business in 1977, which resulted in a $47-million after-tax loss, didn't reverse the trend. For the first three quarters of 1980, the sales of $918 million were up 3% from the same time a year earlier. But earnings were only 62% of the 1979 showing.

Back to chemicals. Although the shift back to basics has been wrenching, it also has its salutary aspects, according to Vice-Chairman Juliette Moran, who began her career working along with Werner in the research lab. "At least it brings us back to being perceived as a chemical company," she points out with satisfaction. Under the restructuring, the specialty chemicals business—notably acetylene derivatives, surfactants, and engineering thermoplastics—is expected to account for at least 40% of sales, with building materials picking up the rest.


GAF's Jesse Werner



The businesses that GAF intends to get out of brought in only $8 million of a total $100 million in direct operating profit in 1979. They range from the large and profitable to the small and unprofitable.

The largest, and one of the more successful properties on the sales block, is reprographics. "We debated for a long time whether to include it in this program," says Werner, "but it should bring in a substantial amount of cash, and we are therefore reluctantly offering it for sale."

With similar reluctance, GAF intends to sell its classical-music radio station, WNCN, in New York. The company bought the station in 1976, after its prior owners had begun broadcasting hard rock. Werner and Moran, both classical-music buffs, saw the need for a rescue.

The other businesses slated for divestment include flooring, photographic graphic arts, View-Master products and electronic games, paper and millboard, vinyl siding, and automotive mastics. The company's latex plant was sold in early December for $13 million (*CW, Dec. 10, 1980, p. 13*).

To make way for the restructuring plan, GAF has had to work out new financial arrangements with lenders. The company will have a three-year, $225-million credit agreement with a group of 14 banks to take care of immediate cash needs. In addition, GAF has renegotiated its loan agreements with long-term lenders. The renegotiated terms allow GAF to continue paying dividends, assuming certain earnings standards are met.

Pruning process. Werner says that "the timing and the degree of our success will depend, of course, on external circumstances." He adds that there are domestic and foreign companies interested in some properties, and that he expects the entire process to be completed within two years.

That's beyond Werner's tenure at the helm. A 42-year veteran with the company who holds 0.5% of the 13.5 million outstanding common shares, Werner will reach the mandatory retirement age of 65 in December.

Werner has been GAF's chief since

Union Carbide trial exhibit UC-595: Union Carbide Calidria Sales Call Reports, Price Report and Memo on GAF C...
Published by AsbestosClaims.Law
ACL Doc 15832 · Page 19 of 21
asbestosclaims.law/library/15832/19

UNION CARBIDE

INTERNAL CORRESPONDENCE

METALS DIVISION

P. O. BOX 579 · 4625 ROYAL AVE., NIAGARA FALLS, NEW YORK 1430

To (Name) W. B. DeAtley
Division UCC
Location Box K
King City, CA 93930

Date January 16, 1981

Originating Dept. "Calidria" Asbestos

Answering letter date

Copy to L. J. Grogan
J. L. Myers
M. K. West
File

Subject GAF Corporation SG-103-9

On January 13 I discussed the present SG-103-9 situation with GAF's Vails Gate personnel (Howard Key - Purchasing Agent and Joe Kardel - Plant Technical Superintendent). They were made aware that we have only enough 90# clear plastic bags inventoried to supply them with about 150 tons of product. Therefore, unless we obtain additional 90# bags, it will be necessary to ship them 70# bags or 90# in the red and black C&P bags that we presently have on hand. It has been reported that we have about 18,000 of these on hand which would represent about 810 tons of finished product. Joe's initial reaction was that they would not be acceptable but that he would evaluate the one given to him. I do not hold out much hope that he will find it satisfactory as our bags are used in their manufacturing process. Although they have requested 90# bags in the past, Joe felt that 70# clear plastic bags would be acceptable if need be.

Their present intent, according to both Howard and Joe, is to purchase two carloads/month of SG-103. However, because of GAF's plans to sell their flooring group, they are operating on a three month purchasing basis and therefore cannot give any committment beyond that time. Under these conditions we feel that probably we should plan to supply them with 70# bags in the future and let it go at that. However, it is our understanding that the plant per ton cost for SG-103-9 versus SG-103-7 is $124.51 and $130.65 respectively. As our future sales to GAF are uncertain at best, we feel that it is up to your judgement whether or not additional 90# bags should be purchased.

G. L. Dickson

GLD:dal

CUSTOMER & LOCATION GAF Houston, Texas

INDUSTRY CLASSIFICATION Floor Tile

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 6-13-77

PRODUCTS DISCUSSED:

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

PERSONS INTERVIEWED:

Howard Key - Purchasing Agent
Lowell Morris - Technical Superintendent

RECEIVED
JUN 27 1977
CALIDRIA

CALL OBJECTIVE:

Introductory call on shipping point floor tile account.

RESULTS OF CALL:

Apparently Key and Morris share equal responsibility here as one fills in for the other in case of an a abscence. Key said GAF would prefer to back haul SG-103 in their trucks from California but the condition of the material on arrival in Houston is much poorer than when we piggy-back ship it. OSHA keeps a pretty close eye on them he said and loves our pellet as much as OSHA could possibly love us compared to the Atlas free fiber. As far as Key and Morris are concerned they wouldn't be adverse to using all CALIDRIA as it causes them less headaches and dust around the plant but unfortunately the decision on that comes from their northern headquarters. Left my card and home phone number in case they ran into an emergency situation that I might be of help to them.

FOLLOW-UP ACTION REQUIRED:

J.W. -- Once a year call frequency sufficient.

COPIES TO:

Mktg. Services; Others: REB:JRL:TPN:WCT:KC-FILE:NF-FILE
J. E. Lenahan

Published by AsbestosClaims.Law
asbestosclaims.law/library/15832/21