UC 149-2

INTERNAL CORRESPONDENCE

PLAINTIFF'S EXHIBIT
UC-2846

Sent via Telecopier 9/16/80

METALS DIVISION • P. O. BOX 579 · 4625 ROYAL AVE., NIAGARA FALLS, NEW YORK 14302

To (Name) G. R. Adams - 39th Floor
Division F. J. Shortsleeve/R. W. Rebholz
Location 38th Floor
270 Park Avenue
New York, NY 10017

Copy to R. E. Byrne, Jr.
W. B. DeAtley
T. Nielsen
File

Date September 10, 1980

Originating Dept. "Calidria" Asbestos

Answering letter date

Subject 1981 Sales Budget

RECEIVED
SEP 16 1980
F. J. SHORTSLEEVE

Attached is a copy of the Subject for your review and approval. Because plant costs are estimated to increase 30%, we have budgeted price increases to recover part of the lost gross margin. Planned price increases are also noted on the attached sheet. They are obviously very challenging and we may have trouble implementing all of them. To my knowledge, this is the first time we have budgeted price increases. If we used 1980 prices, the 1981 NIFS would be $7,588,000; so the price increases give us an additional $872,000, or 11.5%.

Assumptions which were made in developing the 1981 Sales Budget include the following:

1. Atlas will not operate.

2. GAF advised their maximum requirements at Long Beach would be 3000 tons. We have included 2400 tons of SG-103-7 for them. They will require 6000 tons at Vails Gate but we cannot compete with Canadian on a cost/performance basis. They may use SG-103-7 for certain tiles, but we have budgeted nothing for Vails Gate.

3. Canadian and Cabot price increases of about 10%.

4. No price breaks for quantity purchases - we have kept tile grade price increases as low as possible and will avoid discounts.

5. A 10¢/lb. price increase for SX-24 for Grace-Europe on 10/1/80 and 7/1/81. This may be very difficult.

6. No loss of volume due to price increases, although this may be a problem, especially in drilling mud products.

7. Part of the CSV sales may be UNIVIS (SG-200-X) but only 50 tons have been run and performance results are not known.

8. Improvement in Japanese economy over end of 1980.

Also attached is a sheet comparing 1980 Budget and Forecast IV with the 1981 Budget.

Please advise if you have any questions or comments.

John L. Myers

UCC 025349

CALIDRIA ASBESTOS 1981 SALES BUDGET

(JLM 9/9/80)

Product	Budget Tons	Budget $M		CL Prices, FOB Plant, $/T Current	Planned	% Increase
SG-103-5	1500	198		122	132	8.2
-7	3600	475		122	132	8.2
-9	0	0		--	--	--
SG-104	10400	1186		106	114	7.5
-130	200	34		170	188	10.6
-200	360	57		160	176	10.0
-210	300	73		220	242	10.0
HPP	20	4		204	224	9.8
HPO	740	179		220	242	10.0
RG-100	480	281		560	650	16.1
-110	220	59		240	270	12.5
-144	400	260		560	650	16.1
-244	440	1212		2500	2900	16.0
CSV	3300	594		160	180	12.5
SHUR	1140	205		160	180	12.5
UNIVIS	0	0		--	--	--
DOM. TOTAL	23100	4817	Ave.	189	208	10.3
SG-100	3100	409		125	132	5.6
-102	440	58		120	132	10.0
-130	180	32		164	180	9.8
-210	0	0		--	--	--
AS-200	1100	174		144	158	9.7
HPP	2620	529		184	202	9.8
HPO	480	116		220	242	10.0
T-135-P	100	71		648	710	9.6
RG-144	250	162		560	650	16.1
SX-14	90	40		390	450	15.4
RG-244	400	1080		2300	2700	17.4
SX-24	540	972		1500	1900	26.7
EXP. TOTAL	9300	3643	Ave.	346	392	13.1
TOTAL	32400	8460	Ave.	234	261	11.5

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CALIDRIA ASBESTOS SALES ESTIMATES

(JLM, 9/9/80)

Product	TONS '80 Budg.	TONS '80 Fcst. IV	TONS '81 Budg.	$M '80 Budg.	$M '80 Fcst. IV	$M '81 Budg.
SG-103-5	2100	1500	1500	247	182	198
-7	1560	1800	3600	184	218	475
-9	200	373	0	24	45	0
SG-104	9400	10500	10400	940	1100	1186
-130	560	160	200	88	25	34
-200	360	420	360	49	62	57
-210	595	400	300	119	98	73
HPP	0	30	20	0	6	4
HPO	1270	637	740	254	152	179
RG-100	320	380	480	144	192	281
-110	320	200	220	70	54	59
-144	490	370	400	245	223	260
-244	520	380	440	1144	910	1212
CSV	1800	3000	3300	259	480	594
SHUR	600	1000	1140	86	160	205
UNIVIS	0	100	0	0	16	0
DOM. TOTAL	20095	21250	23100	3853	3923	4817
Change	-	+ 1155	+ 1850	-	+ 70	+ 894
%Change	-	+ 5.7	+ 8.7	-	+ 1.8	+22.8
SG-100	3100	2900	3100	372	362	409
-102	550	450	440	64	54	58
-130	200	100	180	30	17	32
-210	0	24	0	0	5	0
AS-200	920	920	1100	121	131	174
HPP	2930	2400	2620	498	440	529
HPO	665	900	480	135	198	116
T-135-P	110	110	100	64	71	71
RG-144	300	300	250	147	168	162
SX-14	130	100	90	47	41	40
RG-244	370	420	400	766	977	1080
SX-24	540	600	540	756	930	972
EXP. TOTAL	9815	9224	9300	3000	3394	3643
Change	-	- 591	+ 76	-	+ 394	+ 249
%Change	-	- 6.0	+ 0.8	-	+13.1	+ 7.3
TOTAL	29910	30474	32400	6853	7317	8460
Change	-	+ 564	+1926	-	+ 464	+1143
%Change	-	+ 1.9	+ 6.3	-	+ 6.8	+15.6

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