UNION CARBIDE

PLAINTIFF'S EXHIBIT

UC-3143

Mr. J. W. Rawlings

March 25, 1974

A Very Preliminary Look at Union Carbide's 1980 Asbestos Business

Growth of Union Carbide's asbestos business will be determined by -

(1) Normal expansion (or contraction) of sales in existing markets;

(2) Ability to capture an increased share of existing markets;

(3) Development of new markets for Calidria fiber.

Perspective on existing and future markets and Union Carbide's share thereof is presented in Table I. The biggest single market for short fiber asbestos is floor tile but here the growth rate is likely to be no more than 3%/year. With the probable demise of the Coalinga Asbestos Company, we should about double our sales by 1980, given the advantages of our pelletized product, reduced TiO_2 requirement, etc. A countervailing consideration is the extent to which Group I efforts on NAT will be successful.

The drilling mud market is expected to grow at about 7% per year between now and 1980 spurred by the search for new oil. We should be able to capture an increasing share of this market in competition with Canadian Johns-Manville products.

Elastomers represent an untapped market of significant potential. R/D work (already in progress on a limited basis with Dan Berry at Tarrytown and H&C in England) in addition to extensive market development will be needed to obtain significant business in this area.

The market for paints, textured coatings, adhesives, caulks and sealants is highly fragmented and, therefore, difficult to quantify. Figures in Table I are only guesstimates. With our highly liberated products such as RG-144 and HPO, we should be able to capture some additional business in this area over the next several years.

Reinforced thermoplastics are the proposed outlet for RG-600. 1980 sales are predicated upon capturing, through aggressive market development, 25% of the business available to fiberglass. Given the obvious industry bias against evaluating new asbestos-containing products, this is no minor task.

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We have been very successful in the last two years in increasing our share of the market for redi-mix variety of tape joint compounds. However, this area is under increasing pressure from the likes of Dr. Selikoff primarily because of the dust generated during sanding of tape joints. If the occupational health question can be managed, we should enjoy increased sales in this group.

The ceiling tile market is mostly Japanese. Our one U. S. customer (Conwed) is located in Minnesota where the psychological effects of the Reserve Mining Co. suit could cause this business to disappear. This market is relatively static.

In the thixotrope market we should be able to increase sales of RG-244 to 2,500 tons by 1980 based upon normal growth of this market and price and performance advantages as compared to fumed silica.

On a broader scale it is interesting, though not particularly relevant, to note that Johns-Manville expects world-wide consumption of asbestos fibers to grow at a rate of 3-4% but that their business will grow at a 5% rate. In Canada and the U. S. Johns-Manville projects a growth rate for their asbestos business of 10%, which in significant part represents increased market share rather than market growth.

W. C. Thurber

WCT:es
Attachment

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Table I

Short Fiber Asbestos Consumption - Tons

	1973		1980	
	Total	UCC	Total	UCC
Floor Tile	95,000	13,500	117,000	28,000
Drilling Mud	9,000	3,100	16,000	7,000
Elastomers	0	0	7,000	3,000
Adhesive, caulks & sealants	4,000	1,700	5,000	3,000
Paints and coatings	1,000	700	1,000	500
Reinforced thermoplastics	0	0	15,000	15,000
Filled Phenolics	6,000	0	7,500	2,000
Tape Joint Compounds	9,000	4,000	11,000	5,000
Ceiling Tile	5,000	5,000	5,000	5,000
Paper	2,000	2,000	2,000	2,000
Thixotropes (RG-244)	1,000	1,000	2,500	2,500
	132,000	31,000	189,000	73,000

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