PLAINTIFF'S EXHIBIT

UC-3587

UC 149-2

UNION CARBIDE INTERNAL CORRESPONDENCE

METALS DIVISION

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

To (Name) Mr. J. T. Kelly
Division UCC-Metals Division
Location 38th Floor
270 Park Avenue
New York, NY 10017

Date February 25, 1980

Originating Dept. "Calidria" Asbestos

Answering letter date

Subject Strategic Planning - Asbestos

Copy to Messrs. (w/o Encs.)
G. R. Adams
R. E. Byrne, Jr.
W. B. DeAtley
H. B. Rhodes
F. J. Shortsleeve/R. W. Rebholz
File

This is in response to the questions you asked on 2/13/80 relative to an update of the Subject. I am sorry to advise that I have been unable to get very explicit answers to most of your questions, as noted below. My prime source of information is Bob Clifton of the USBM.

1. How much of world production is short fiber? Clifton recommends using 42% - based on Canadian exports.

2. What is world consumption by country?

   a. Canada exports 95% of production

   b. USSR & China consume most of production

   c. Japan consumed about 330,000 tons in 1977 - 40% from Canada, 27% from S. Africa, 24% from USSR, 3% from U.S., Australia and Other.

3. What are major world-wide applications? About 70% used in asbestos-cement products, remaining 30% in myriad other applications.

4. Value of world-wide asbestos sales? Clifton suggests using Canada as example: 1977 - C$548,925,000.

5. Estimated reserves of Coalinga deposit? of "our share"? Per Bill DeAtley, total reserves have never been estimated because ore depth has not been determined. We use 100 years as an estimate of our reserves - at 30,000 TPY that would be 3,000,000 tons.

6. Short Fiber capacities of Competitors?

   Atlas - 25,000 TPY (all short)
   Carey - 230,000 TPY (Grades 6&7)
   J-M - 800,000 TPY (all grades)

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7. Breakdown of 1975-1979 sales quantities?

	Domestic & Export, Short Tons		
	Asbestos Industry	Viscosity Control	Total
1975	28,502	1,579	30,081
1976	22,490	2,067	24,557
1977	22,782	2,110	24,892
1978	32,883	2,376	35,259
1979	26,513	2,157	28,670

I apologize for the incomplete information, but perhaps some of it will be helpful. Enclosed are the following publications which may provide you with additional data and information. (Please return them to me):

"ASBESTOS", December 1979
USBM Report, July 1979
Market Analysis, April 1974

Bob Clifton is sending me some other information he has but I don't think it will be pertinent for our study. I will send you copies of anything of interest.

John L. Myers

JLM:dal
Enclosures

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