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UC 149-2

INTERNAL CORRESPONDENCE

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To (Name) Mr. R. E. Byrne, Jr.
Division UCC-Metals Division
Location Niagara Falls, NY 14302

Date January 24, 1978
Originating Dept. "Calidria" Asbestos
Answering letter date
Subject "Calidria" Asbestos Midwest 1977 Summary

Copy to Messrs. J. L. Myers
T. P. Norris
W. C. Thurber
J. E. Walsh
KC File
NF File

1977 proved to be a year full of surprises both bad and good. Although the total sales dollars for the midwest are almost exactly the same as in 1976, the product mix was significantly improved. Failures in both tape joint and floor tile markets were offset by substantial gains in the automotive industry.

Major Disappointments

1. Tape joint compounds - Action by the Consumer Product Safety Commission on spackling compounds caused a complete collapse of HPO and SG-210 sales to these markets. In 1976, we shipped 615 tons to the tape joint market. In 1977, this figure dropped to 341 tons and 1978 will almost certainly be zero.

2. Floor tile - The main problem in this area is Flintkote. They will not purchase SG-103 because of the cost differential between our material and Atlas. They have bought SG-104 from us but their Union will not handle our pellets because Flintkote does not have an automated transfer system. Therefore, the pellets must be transported in open tote bins and shoveled into the Banbury. These reasons, coupled with their insistance that pellets are difficult to break up in a Banbury pretty much rules out any business here in the foreseeable future.

Major Bright Spot

Automotive - Sales to the automobile companies and their suppliers jumped from 535 tons in 1976 to 671 tons in 1977. It should be noted that the vast majority of these products are the resin grade types, which have the best direct margins. The major reasons for this jump are that the auto industry had a good year, but more importantly it reflects wider acceptability of our products.

DEPOSITION EXHIBIT 35

PLAINTIFF'S EXHIBIT UC-5369

1978 Emphasis

The major areas of emphasis for 1978 will be:

1. Automotive - We will continue to spend a great deal of time in the automotive area and concentrate our efforts at the following accounts:

Ford Motor - Continue to assist Ford in the development of a sprayable underbody sealer containing RG-144 and/or RG-244.

Allied Materials - Attempt to have Allied replace Canadian Grade 7 with SG-130 and get them to begin using RG-244.

Mortell Company - Work with their development lab on both replacing more of their Canadian/California Grade 7 usages with SG-130 and replace silica with RG-244.

Chrysler Corporation - Try to resolve very sensitive toxicology issue to the satisfaction of both Chrysler Chemical and the U.A.W.

Hughes Chemical - Hughes has some very large potential RG-244 uses. We must convince them that it can be used safely by them and their customers.

2. Floor Tile - Our major effort here will be at Kentile Floors, where we must convince them that Union Carbide's reliability should gain us a niche as their prime rather than secondary supplier.

3. Plastics - The following is a list of five potential accounts and where RG-600 evaluations stand:

Chrysler Corporation - Plaques of resin containing RG-600 have been prepared at Bound Brook, NJ, and will be presented to Chrysler for test.

Manchester Industries - An acrylic/RG-600 compound has been produced at Bound Brook and sent to Manchester for a customers evaluation. Upon completion, Manchester will advise us as to the degree of success. Manchester also plans a program of upgrading re-grind by additions of RG-600.

Michigan Plastic - Will evaluate RG-600/PS concentrate in large structural foam swimming pool in the spring when the mold is again used.

Phone-Ducs - Have molded parts for a customer in the waste water treatment industry and will advise when evaluation is complete.

Plastics Research - Are currently evaluating RG-600/HDPE in 102" racks for shipping auto parts We should know results by February 1, 1978.

Steelcase - Have successfully molded office furniture parts, but economics kept us from getting the business. They evaluated RG-60? in polypropylene vs. neat polystyrene. PS has begun to creep downward in price. If it goes to 34¢/lb. (as seems likely by June), it will be time to go back and ask Steelcase to recheck the economics.

To sum up, we have a good chance of greatly increasing business in the midwest in 1978. The major problem, as always, will be the asbestos/health question. It is a factor, to some degree, at every account or potential account we have. To overcome objections through product performance, customer service and the ability to competently handle toxicology questions remains our greatest challenge.

E. J. Kleber

EJK:dal
Attachment

1977 SALES COMPARISON

Product	1977 Budget T	1977 Budget MS	1977 Actual T	1977 Actual MS	% vs. Budget (S)	% vs. 1976 (S)
HPO	460	69	367	59	86	91
HPP	0	0	19	3	+	100
SG-110	282	47	312	58	123	118
RG-144	156	63	197	94	149	121
RG-244	222	424	173	346	82	134
SG-103	600	60	80	8	13	133
SG-104	2600	218	1113	94	43	54
SG-210	466	69	239	42	61	63
Super Visbestos	78	8	56	7	88	100
Total	4864	958	2556	711	74	101

EJK:dal
1/24/78

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"Calidria" Asbestos

Monthly Sales Report

DISTRIBUTION LIST

Mr. R. E. Byrne

Mr. J. F. Collins

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Dr. H. B. Rhodes

Mr. W. C. Thurber

Mr. J. E. Walsh

KC - File

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ASBESTOS SALES GROUP SUMMARY

	November		YTD	
	Tons	$M	Tons	$M
Asbestos	2031	434	22836	4953
Shotted Slag	205	13	1699	111
SiMn Slag	-	-	168	41
MnO Fert.	-	-	46	3
Std. Slag	-	-	1318	59
UCAR Silica	61	9	477	56
Submicron Silica	3	-	16	1
TOTALS	2300	456	26560	5224

Date Issued 12/15/77

"CALIDRIA" ASBESTOS SALES SUMMARY

PRODUCT	FOR NOVEMBER 1977				THRU NOVEMBER 1977			
	SALES		% BUDGET		SALES		% BUDGET	
	TONS	$M	(T)	($)	TONS	$M	(T)	($)
DOMESTIC SG-101	-	-	-	-	11	1	-	-
SG-103	174	17	80	77	2515	252	105	107
SG-104	184	15	28	27	5170	434	70	70
SG-130	-	-	-	-	109	13	50	50
SG-200	60	6	120	120	360	38	65	69
SG-210	55	9	33	36	1386	229	76	83
HPP	2	1	-	-	106	19	252	271
HPO	43	8	22	27	1226	213	56	64
T-135-0	-	-	-	-	-	-	-	-
CG-135-P	41	26	315	1300	80	51	55	232
RG-100	-	-1	-	-	262	96	557	533
RG-110	74	13	200	217	419	78	104	118
RG-144	23	13	55	76	534	246	117	134
RG-244	30	70	53	64	501	1008	80	84
VISB	-	-	-	-	320	35	219	233
CSV	197	24	116	133	2059	247	110	123
SHUR	50	6	75	86	703	84	96	105
SG-310	-	-	-	-	37	6	-	-
TOTAL DOMESTIC	933	207	54	68	15798	3050	83	91
EXPORT SG-210	-	-	-	-	42	7	-	-
SG-100/102	478	47	382	392	1597	156	116	118
SG-130	55	7	306	350	166	20	83	91
AS-200	113	12	136	150	1013	110	111	121
HPP-EX	338	48	209	229	2349	328	132	142
HPO-EX	9	2	19	29	533	87	100	113
T-135-P	-	-	-	-	169	88	48	51
RG-110-EX	14	3	35	38	144	30	33	34
RG-144	8	4	62	80	178	76	128	138
SX-14	8	2	62	50	176	56	127	127
RG-244	14	24	70	67	239	428	109	108
SX-24	61	76	149	136	377	477	82	77
T-135-0	-	-	-	-	55	39	-	-
TOTAL EXPORT	1098	225	184	129	7038	1902	107	99
TOTAL SALES	2031	434	88	90	22836	4953	89	94