UC 149-2

UNION CARBIDE

INTERNAL CORRESPONDENCE

UNION CARBIDE CORPORATION ROBINSON PLAZA II, ROUTE 60, PITTSBURGH, PA 15205
METALS DIVISION

PLAINTIFF'S EXHIBIT
UC-654

To (Name)	Mr. J. T . Kelly	Date	February 27, 1984
Division	UCC - Metals Division		
Location	Danbury, CT	Originating Dept.	Marketing
Area	J-1	Area	

Copy to: G. R. Bailey, W. G. Beattie, J. Hale, D. J. Ippolito, G. M. Lincoln, Jr., W. H. Magruder, W. F. McClure, F. V. McMillen, R. J. Klotzbach, R. L. Schult, W. C. Thurber, C. T. Wentzel, R. A. Bebb, J. G. Bombulie, R. M. Bunting, W. R. Curran, G. L. Dickson, G. M. Faulring, T. H. McKenzie, T. P. Norris, D. M. Perry, C. E. Ruppel, N. M. Shields, J. E. Walsh, R. P. Wiesler, E. J. Wohlert

Subject: Weekly Sales Comments
Week ending February 24, 1984

"CALIDRIA" ASBESTOS

Avco (Lowell, MA) reported they received a defense contract for 1984 to supply naval fire retardant coating. It is now expected that their RG-244 requirements will be about 25 tons (M $100) this year versus 16 tons (M $64) budgeted.

W. R. Grace (Pacific-Interamerican Div.) entered an order for two (2) pallets of SX-14 for Mexico. This is our first sales to this customer since 1981.

CHROME

Allegheny-Ludlum was offered second quarter pricing on three barges of 50/55% Charge Chrome by UCC @ $ .4080/# Cr, F.O.B. Brackenridge. This equates to $ .4270/# Cr, F.O.B. East Liverpool and represents a $ .0230/# Cr increase over first quarter pricing. Purchasing had little comment on the price but was more concerned with our scheduled delivery date on the first two barges for late March. Because they do not need the material until mid-quarter, extended terms on one of these barges may be in order.

Altech report that they are currently buying 50/55% Charge Chrome (250 NTA per week) from Derby (MS&A product) for $0.41/lb Cr F.O.B. Bridgeport. They also report that they are buying 63% Charge Chrome (85 NTA/week) from Derby (Macalloy product) for $0.42/lb Cr F.O.B. East Liverpool.

TUNGSTEN

Carmet report an improved business picture and have requested an increased APT ship schedule from UCC to 15,500 s.t.u. for 1984 (from the 11,000 s.t.u. original schedule). It seems that their intention is to split their requirements 50/50 between UCC and Amax.

Kennametal advised of an agreement reached with Amax (in late January) for the supply of APT in equal monthly quantities over the period July-December 1984, with an option for two additional shipments within the same time frame, for a fixed price of $100.25/s.t.u. delivered. The monthly shipment quantity is probably one truckload (1750 s.t.u.). They also stated that they have already purchased two truckloads from Amax this year, one at $93.00/s.t.u. (February shipment) and another believed to be at $96.00/s.t.u.

VANADIUM

Agreement in principle has been reached with DuPont for the conversion of an additional two million pounds (approximately) of vanadium bearing sludge from Syngas. Sludge will be delivered to Hot Springs beginning week of February 27. Details of the conversion will be developed with DuPont including reduced recovery (65% versus 75%) and the form and price of the conversion product.

Latrobe Steel report a firm first quarter FeV price of $5.35 from IMC while Timken, Latrobe's parent company, report current FeV pricing "around $5.50", also from IMC. It seems likely, however, that Timken are also paying $5.35 in the first quarter. Both Timken and Latrobe feel that second quarter FeV pricing will increase but will still be below UCC's published Carvan price ($6.00).

GENERAL

New business for domestic machine tool builders continued to improve dramatically in January, more than doubling over the previous year's net orders and rising 26% over Decembers sales (AMM 2/27).

R. M. Bunting

RMB/mda