EXHIBIT
WRG-1276
03635534

GRACE

Zonolite
Construction Products Division

W.R. Grace & Co.
9430 Rayo Avenue
South Gate, CA 90280

(213) 567-7764

TO: W. V. Culver

DATE: March 4, 1976

FROM: L. W. Farmer

SUBJECT: Portland Ore Storage

cc: E. J. Bigley/Newark
T. P. Feit/Santa Ana
E. F. A. Johnson/Portland
W. R. Wright/Cambridge

In order to begin to solve our tremolite fiber count problems in the Portland plant it is imperative that we reduce the number of ore sizes processed there from the present four (#1, #2, #3 and #4) to one (#3). The reason for this is that we don't have a prayer of meeting new Federal hazardous material regulations if we are forced to store ore on the floor of the Portland plant. The only way we can avoid storing ore on the floor is to process only one ore size.

We do have several options which, in my opinion, would not cause undue inconvenience to our customers in light of the situation with which we are faced. We have to face the facts. The Government is dictating to us the conditions that we must maintain in the work environment for our employees. Unless we remove raw ore from the floor of the Portland plant we cannot hope to meet these conditions.

Our biggest single problem is #4 ore. The #4 is purchased primarily by one customer, Vermiculite Manufacturing Corporation (VMC). During 1975 the Portland plant produced 20,000 4-cubic foot bags of #4. VMC actually purchased about 25,000 bags of #4 but 5,000 bags of it was shipped from Newark early in 1975. VMC's requirements this year are running higher than last year and we will probably supply them with 35,000 to 40,000 bags of #4 in 1976.

In order not to lose this business we would have to ship all #4 from Newark. As can be seen on the following page, if we supplied VMC from Newark, and charged them freight from Portland, we would only incur a 1¢ loss per bag versus manufacturing #4 in Portland.

RECEIVED
MAR 8 1976
AUBURN, WASH.

15161393

TO: W. V. Culver

DATE: March 4, 1976

SUBJECT: Portland Ore Storage

	PORTLAND	NEWARK
1976 STANDARD COST ($ per 4-Cubic Foot Bag) EXCLUDING FIXED AND PACKAGE COSTS	$1.371	$1.082
FREIGHT TO VMC	.200	.500
TOTAL	$1.571	$1.582

Ernie and Ted will double-check my freight figures because I obtained them in November, 1975. However, their relation should remain constant.

We could kill two birds with one stone if we screened #4 ore for Attic Insulation and TERRA-LITE. The fines could be sold to VMC instead of #4 and we would eliminate the greatest portion of our #2 requirements.

As for #1, we can either expand bagged #1 ore in Portland (our monthly demand is low; approximately 200 bags per month) or we could ship expanded #1 from Los Angeles.

If a recipient of this memo can think of any other options let's discuss them. I would hope that we can eliminate three of the four ore sizes by May 1, 1976. If you feel this is impossible, please let me know.

L. W. Farmer

LWF:jd

GRACE

CONSTRUCTION PRODUCTS DIVISION

03635536

Bill

Cambridge, Mass.
January 27, 1976

Notice to:
R. A. Clabault/Lexington
H. C. Duecker
H. A. Eschenbach
O. M. Favorito
C. N. Graf/ICG-New York
W. R. Hanlon
P. Kostic
W. F. McCord
J. V. McKague/Scarborough
R. L. Oliverio/Zonolite-Libby
L. Rosenblatt
R. E. Schneider
O. F. Stewart/Zonolite-Enoree
R. M. Vining
B. R. Williams
J. W. Wolter
W. R. Wright
Zonolite Regional Managers (Distribution List Attached)
" General Plant Managers " " "
" Plant Managers " " "

Bob Locke is hereby appointed a staff assistant to coordinate the planning and execution of our efforts to reduce fiber levels in our mine, mill, and manufacturing operations. In this position he is expected to assist all functional groups and act as the dedicated advocate to reach the objectives. Bob will report to me.

H. A. Brown

HAB/cgr

RECEIVED
FEB 27 1976
AUBURN, WASH.

15161395

CONSTRUCTION PRODUCTS DIVISION

INTER-OFFICE CORRESPONDENCE

TO: T.P. Feit

DATE: 9/20/76

FROM: W.V. Culver

SUBJECT:

cc: E.F.A. Johnson
L.W. Farmer

On Thursday, September 16, I contacted three conveyor installers, regarding our ore handling problem in Portland. These people are primarily in the grain-handling business, but should be sufficiently knowledgable about all bulk products to handle our problem easily and simply. I gave these people Ernie's name, and gave Ernie their names and phone numbers. There are a couple of other possibilities, which I pointed out to Ernie. At this writing, one of the installers has seen our problem, and is working up a proposal for under-floor conveying, which might cost in the order of $25,000. I suggested that Ernie get as many proposals as he felt necessary, but put the burden of design and performance on the supplier.

In the meantime, I urged that Ernie might be able to immediately minimize dust in the plant from unloading, by enclosing the gaps between the bucket elevator discharge and the conveyor, and between the conveyor discharge and the floor, with something like burlap bags. As of this writing, it hasn't been done.

Bill

WVC:sm

PACIFIC REGION

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