

Ardmore

7/31/63

General Sales

Mr. W. A. McCaskill

JOHNS-MANVILLE CONTRACT

C. L. Abbey - amc

cc: Mr. H. H. Powers - Ardmore Re: Wilmington Problems
Mr. R. Smith - Legal Department ← ~~Handwritten note~~
Mr. A. E. Meyer - Ardmore

After the discussion you had with the J-M people, Thursday, the 25th, you asked that I check certain matters.

Under date of June 4th, Bob Smith as Secretary of the Bestwall Gypsum Company wrote Joe Marian that Bestwall would allow 15¢ per cwt on all board shipment out of Akron onto Long Island, New York on and after June 1, 1963. This excluded plaster goods but did include Joint System materials mixed with board and also in straight shipments.

Further, this included the Boroughs of Brooklyn and Queens at the western end of the Island but not the other Boroughs of New York City. This 15¢ per cwt allowance was to be shown on the face of the invoice, Bestwall to J-M, on shipments that qualified for it.

I do not think we need to do any more since the letter indicated the allowance would continue until further notice. It is not qualified as to the method of shipment or to the quantity.

Insofar as the \$.365 per cwt charge is concerned, it is questionable to insist they pay penalty on all over the 5,000,000 square feet per month unless the Company is prepared with the maximum limitation to say that Bestwall would ship no more after that unless J-M agreed to this payment. I suggest we consider having J-M make a lump sum payment after the end of the month which would represent their pro-rata share based on their shipments, to the total shipments out of the plant for the month, on the tonnage of board that had to be shipped from Akron to Wilmington to augment the board manufactured there.

For simple illustration, assume for a month the total shipments out of Wilmington are 16,000,000 feet on a 3/8" basis and that the plant manufactured 14,000,000, meaning that 2,000,000 had to be brought in from Akron. Assuming J-M shipped 8,000,000 and Bestwall shipped 10,000,000 for a total of 16,000,000 and J-M's pro-rata share would be 6/16 of 2,000,000 or 750,000 square feet.

PLAINTIFF'S EXHIBIT

GP-605

SGP 0002436

Now, since J-M insist they will only pay their pro-rata share on the material shipped in, I think in addition to the \$.365 per cwt freight penalty Bestwall would be entitled to and should charge \$2.50 per thousand for warehousing and handling at Wilmington.

This charge to J-M should be summarized in one invoice billed to J-M by the plant on about the 10th of the month for the month previous and should be made to the Johns-Manville Sales Corporation, New York District Sales Office since the footage involved would be shipped into the New York District of J-M.

The \$.365 would be on weight - the \$2.50 would be on surface measure.