UNION CARBIDE CORPORATION
Chemicals and Plastics Operations Division
270 Park Avenue, New York, N. Y. 10017

To: W. L. Carrick
F. D. Dexter
L. P. Jehle
W. S. Young

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Asbestos Products for the
Paper Industry -- 1970

It isn't necessary here to litanize the problems we have had in the past serving asbestos products to the paper industry. In 1969 we have directed our activity toward determining:

1. Do we have a product?
2. Do we have a market?
3. How do we serve it?

Products

High Purity Asbestos is expected to contribute 6.5MM pounds, $360M in NIFS in 1969. This compares with 9MM pounds, $500M in 1968. Lost business at Longview Fiber, Western Kraft to Johns-Manville's Ultrabestos is largely responsible. If we recover this business, it will not be with HP but possibly with a Standard Grade which would be exactly competitive to Ultrabestos. It is possible 1968 may be the high water mark for HP.

Maximum potential is in the 10-12MM pounds per year range.

Though touted as a pitch control agent HP sales are almost exclusively for other uses. For example, Boise Cascade has purchased 1.5MM pounds ($86M) through August 1969 for use as a TiO_2 extender and retention aid. Conwed 1.4MM pounds ($70M) for starch retention in acoustic and ceiling tile.

We seem, therefore, to be misled as to the value and utility of this product and cannot recommend any significant sales activity for HP in 1970.

T-135 will contribute 1MM pounds and $150M in 1969 vs. 2.2MM pounds and $336M in 1968. Despite this record we look to T-135 for growth of sales to the paper industry and it is here we concentrated our studies in 1969.

We estimate potential at $2MM and 15MM pounds.

T-135 is a very good opacifying pigment and is equivalent pound for pound with TiO_2. There are no equivalent products available.

Extenders plus TiO_2 have become quite common in the paper industry but since the extender itself (Hi-Sil, Zeolex, Paper-Ad, etc.) does not contribute to opacity, the total system cost is still more than a T-135 and TiO_2 system.

However, product limitations are not insignificant. Once on the paper machine T-135 performance is reliable and it performs as advertised. The problem is delivery to the machine. To increase utility we offer pellets and open fiber and specially designed repulpable beater bags and will deliver in bulk. But a modern mill is designed to reduce manpower requirements with systems which meter important pigments in slurry form. TiO_2 purchasers are increasingly in 70% slurry which is diluted to 30% for feeding the machine. T-135 can be slurried but to date concentrations are limited to 3½-4%. As a result a large mill will have restrictive investment requirements in tankage, mixers and pumps not to mention the increased water demand and disposal problem.

Ideally we are looking for a 20% T-135 slurry which maybe fed into existing TiO_2 delivery systems. Extenders such as Hi-Sil have this capability. We propose this as a high priority development project.

Markets

It is axiomatic that more paper is sold on brightness than opacity but it is also true that opacity is a dominant specification in such products as offset, coated and uncoated including publication grades; book; catalog; envelope and glassine.

There is little point in quantifying the total production of these grades -- suffice to mention that uncoated offset alone amounts to 1.2MM tons per year.

The major producers are in order Crown Zellerbach, International Paper, Hammermill, Kimberly-Clark, Mead, Champion, Scott, Westvaco and Boise Cascade. They represent $1.4MM from a total industry sales of $2.5MM in printing and publication grades. To give you an idea of the magnitude of our problem, of this group, only Boise is a regular customer and that for HP. I. P. and Hammermill have been in and out, Westvaco gave us our first carload order in July, Scott is in trials and first contact was made with Mead on September 17, 1969.

Consumption of TiO_2 by the paper industry is 140,000 tons but this figure includes both wet end and coatings. We estimate 100,000 tons at the wet end maximum. An unknown proportion of this quantity is actually used to obtain opacity and would be vulnerable to replacement by T-135. An educated guess would be 65/35 -- opacity to brightness.

Geographically, our major potential for T-135 is in the Eastern half of the country and almost entirely concentrated in Minnesota, Michigan, Ohio, New York, Maine, Pennsylvania, Maryland, Tennessee and North Carolina.

In summary, we have a salable product which is relatively unique in the industry. It is priced to compete not only against TiO_2 itself but vs. extended TiO2 systems which cost 17-18¢/pound in combination. To reach our potential which we estimate at 10-12% of available market we need to provide a system for producing 20% solids slurries in the mill. A large sales force operating nationwide is not necessary to reach the 10 major producers with mills in 8 or 9 states.

Paper Program -- 1970

Selling: Two man years -- $70,000

It is proposed that two men or the equivalent be used to cover selected paper accounts in 1970. It would be preferable if these men were part of a separate Asbestos sales force numbering four or five in total. At any rate we would strongly resist use of the General Sales Force as we have in 1968 and 1969.

In one area around Kalamazoo, Michigan we would propose to supplement this effort with a distributor who would provide local contact for the four major mills located there.

Promotion: $ 5,000

Mostly necessary to update our sales literature which is in very poor shape. We would also plan to attend the February, 1970 TAPPI Show in New York.

Research and Development: 2 Man Years

We do not plan for a research program at this time. We will require pilot development of a T-135 slurry system.

Technical service will be required to support sales. The degree and type will be determined largely by the quality of sales personnel we will have available.

In addition we would like the capability of operating a corrective sales program with technical service personnel. In the past many T-135 and HP mill trials resulted in no new business for various reasons. This losing image haunts the program. We propose to establish a technical task force with the responsibility for reclaiming these accounts. In one sense it will be a floating lab program, but success will provide a buffer for the future.

NJS/ds

N. J. Setter