

PITTSBURGH CORNING CORPORATION

FILE COPY

January 25, 1971

Mr. C. G. Morgan
 Vice President - General Manager
 North American Asbestos Corporation
 200 South Michigan Avenue
 Chicago, Illinois 60604

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Dear Mr. Morgan:

In hopes of clarifying the situation which exists regarding Amosite Fiber availability during 1971, the figures that Dr. A. A. Hodgson gave to me during his visit to this country were as follows:

These figures convert to short tons:

D-11	850	Metric Tons
M	1250	" "
DB	1000	" "
K-3	750	" "

D-11	935	Tons
M	1375	"
DB	1100	"
K-3	825	"

Total 3850 Metric Tons

Total 4235 Tons

He also indicated at that time that the figures on M and K-3 could reverse as one or the other may not from time to time be available. Therefore, we should consider M and K-3 as a total of 2000 Metric Tons.

On several occasions, to clarify whether we were talking about Metric or Short Tons, I had asked the specific question as to what the tons represented. I was told these were Metric Tons due to the current changeover of unit weight at the mines. These figures indicate that we are short approximately 700 Metric Tons or 770 Short Tons. Our forecasted requirement is 5000 Short Tons. This provides us with only a 200 Ton cushion for the coming year's anticipated production.

I would also like to point out that our projected business for 1971 - high temperature pipe insulation - looks very, very encouraging. Our current production schedules are filled through March 3th. New orders being received are being promise to customers for delivery after March 8th. As you know, a great deal of our business is centered around refinery and power station construction. Both of these industries today are booming and construction is therefore on the up-turn. We have currently on the books orders to supply material for eight new power plants. Most of this business is large diameter heavy wall pipe insulation which builds up our usage of Amosite. We are also currently running ahead of our sales forecast which at the time it was made we thought very optimistic.

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We will need a total of 400 Short Tons per month to maintain operations at both plants. We normally need to maintain a three month minimum Amosite usage as a safety-stock due to past experience in getting Amosite Fibers from the mines. We will be down to a month and a half to two months safety-stock at the time current releases are received. The 400 Short Tons per month previously mentioned would indicate that we must have a minimum of 4800 Tons to maintain our operation through the year 1971.

It is imperative to us that Cape Asbestos give us some assurance that we will be able to purchase and they will be able to supply Amosite Fiber in the quantities mentioned - 4000 to 5000 Short Tons.

We are very happy about the business prospects for 1971 due to the increased construction and building which is going on within the two industries previously mentioned; however, we are vitally concerned with our ability to supply our customers due to Cape's apparent inability to supply us with Amosite Fiber. Anything that you can do which will help us to get the fiber which we need to maintain our current position in the high temperature pipe insulation field will be most appreciated.

Sincerely,


Len P. Hauser
Manager of Production Planning

LPH/rb

cc: Mr. E. W. Holman

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