FSM 11-71 DRAKE

MEMORANDUM

SHREVEPORT

In Reply to _____ Date 12/16/74 From _____ To _____

cc: Mr. C. A. Hoffman - BBQ
Mr. D. E. Frazier - BBR
Mr. L. W. Weaver - BBH
Mr. J. A. Hixon - BB

Subject HIGH COST GRANULE SUBSTITUTION

As soon as we can use up the LR-34 green granules we have on hand at Shreveport we will begin making our Shadow Green Blende using 50% LR-19 and 50% GAF #171.

We are unable to discontinue the use of LR-19 granules because this is the green granule that we use in making Meadow Mist which is one of our most popular colors. This is where the bulk of the LR-19 used at Shreveport is located.

Soon after the first of the year we'll put out a bulletin to our trade announcing the change in this Shadow Green Blende.

JKC/mb

PLAINTIFF'S EXHIBIT

BIR-324

DRAKE 3M 4-73

MEMORANDUM
SHREVEPORT

cc: Mr. C. A. Homan BBQ
Mr. D. E. Frazier BBR
Mr. L. W. Weaver BBH

In Reply to _____ Date 9/23/74 From J. K. Colvin To Mr. J. A. Hixon BB

Subject HIGH COST GRANULE SUBSTITUTION - ALL ROOFING MILLS

We have your memorandum of 9-19-74 on the above subject and wish to advise that we will make a trial run with some of the 3M granules in their LR-16 Green, mixing them with our GAF-171 granules, which is comparable to the 3M L-37 which we don't have. The LR-19 and LR-34 that you mentioned are the two colors we used in Shadow Green. Back when we made trial runs to see what granules we would need to get the desired blende we tried the LR-37 and couldn't get what we were looking for using it.

You mentioned a usage of 43 tons of LR-32 during 1973. I might mention that we have discontinued the use of this granule at Shreveport altogether.

We will let you know as soon as we have had a chance to make a trial run using the lower priced LR-16 Green and the combination mentioned above.

JKC/ae

BIRD 011186

cc: J. K. Colvin - MS
C. A. Homan - BBQ
D. E. Frazier- BBR

9/19/74 J. A. Hixon-BB L. W. Weaver - BBH

HIGH COST GRANULE SUBSTITUTION - ALL ROOFING MILLS

You are aware, I am sure, that 3M and G.A.F. recently increased the price of colored granules approximately 16%.

I have been discussing with 3M, the possibility of elimminating some expensive "buy out" granules that cost us more dollars and which could have suitable substitutes. There probably are a number of colors other than the ones I will discuss that should be reviewed for substitution or elimination.

Specifically, at Shreveport, it is felt that we could eliminate LR-19 Green and LR-34 Green. In 1973 we used 840 tons of LR-19 Green and 300 tons of LR-34 Green. I am pretty sure these two greens are used in a green blend made at Shreveport, La.

These two items are high cost granule items, and I feel that it is possible to replace this green blend with a combination of LR-16 Green and LR-37 Green which could save us some dollars.

I suggest we take a look at the usage of LR-32 Green at Shreveport at the same time. We used only 43 tons of this granule in 1973. Possibly, this should be elimminated.

It is my feeling that an extensive study of our "buy out" granules should be made at all mills not coloring their own rock. The marked increase in our costs warrants this study and I feel substitutions or elimination of expensive granules should be made where applicable.

I will leave the timetable up to you, but would anticipate changes should be in effect by January 1, 1975.

If substitutions are made, perhaps display boards should be made up for our Annual Sales Meeting to be held in January of 1975.

Of course, Allan Jones and myself should be informed of changes as it will effect the 1975 Profit Plan.

JAH/1

BIRD 011187