PLAINTIFF'S EXHIBIT
JM 844

G. C. [illegible]ston

cc:
J. E. [illegible], Manville - Box 230
U. D. [illegible]ce, REC
K. J. Whalen, Manville - Box 231
W. E. Bough
L. I. Richards
H. F. Lloyd
File: 1-2, 6-0

SAVI[illegible] - $17,000
ADVOC[illegible] FIBER TRANSPORTATION COSTS

This Savings Memo cancels the previous memo of February 2, 1971 having the [illegible] title. Additional Savings Memos will be issued as further shipments of Advocate fiber are received.

Denison has tried several times in the past to have its Advocate asbestos fiber routed through the port at Houston instead of New Orleans. With the Marrero plant also buying Advocate, it was always decided that a single movement of fiber in New Orleans for both Denison and Marrero was better than [illegible] to make a second stop in Houston. Now, however, with the installation of the Marrero pipe plant, we have started receiving Advocate through Houston and a substantial savings. L. I. Richards, PS&T Supervisor, has [illegible] the efforts that resulted in this savings.

[illegible] finished receiving a 54,000 bag shipment of Advocate through [illegible] were able to monitor all shipping costs of this shipment and compare them to the costs of previous shipments coming through New Orleans. An itemized comparison is attached.

Observing the attached comparisons, we see that ocean freight to Houston is $.03 per cwt less than to New Orleans. Wharfage costs in both ports are equal, but [illegible] stevedoring in Houston is $.0355/cwt less, and the port terminal charge is $.[illegible]/cwt less. In New Orleans, there are additional charges of $.[illegible]/cwt [illegible] to paper work involved with customs; and in Houston these charges are insignificant to four decimal places. The freight from port to Denison is $.[illegible]8/cwt less from Houston, due partly to a recent 10% increase in rail rates from New Orleans.

[illegible] method, fiber is unloaded from the ship directly onto pallets, [illegible] loaded into vans and unloaded at Denison by fork truck. [illegible] fiber is handled manually from ship to wharf, wharf to warehouse, warehouse to rail car, and rail car to storage. The new method decreases the manual handling from four occasions per shipment to one. Although the new method [illegible] an added cost of $.07/cwt to cover freight on pallets, the unloading

February 2[illegible], 1971

costs at Denison are $.0422/cwt less. The reduction in unloading costs plus reduced handling plus great advantages derived in the areaof environmental control make the new method very beneficial.

The total cost/cwt by shipping through Houston is $1.4240 vs. $1.7387 by shipping through New Orleans, yielding a savings of $.3147/cwt. By multiplying this savings/cwt by 54,000, the number of hundredpound bags in the shipment, we obtain a savings of $17,000 on this particular shipment alone.

This savings will be claimed on the next Monthly Cost Reduction Report.

Claimed on Feb. '71 C. R. Report

J. W. Bird
By J. Story

jh

Attachment

MTC 013187

COMPARISON OF ADVOCATE SHIPPING COSTS: HOUSTON VS. NEW ORLEANS

| | HOUSTON COST/CWT | NEW ORLEANS COST/CWT |
|---|---|---|
| Ocean Freight | ~~$ .4500~~ .66 March '71 | ~~.5000~~ .51 – Aug 1970 |
| Wharfage | ~~.0175~~ .0177 – March 71 | ~~.0175~~ .0104 Aug. '70 |
| Stevedoring | ~~.2590~~ .2915 | ~~.3345~~ .2734 |
| Port Terminal Charge | .1375 | .1375 |
| Additional Port Charges | – | ~~.0090~~ |
| Freight to Denison | ~~.4800~~ .640 | ~~.6380~~ .869 – |
| Freight on Pallets | ~~.0700~~ | – |
| Unloading at Denison | .0100 .1452 – March | .0522 .16628 – Aug |
| | $1.4240 | $1.7387 |

a) $1.7387 - $1.4240 = $.3147 savings/cwt

b) $.3147 x 54,000 bags = ~~$17,000 total~~ savings on initial shipment

DESPATCH 1/3 100

6,800,000

9.33

31,729

# Memo

Date

To:

cc:

SUBJECT:

DESPATCH

600.00 day on Laytime

saved in Loading +

discharge

SIGNED

LOCATION

Form 3-2C Printed in U.S.A.

**WHY FILE THIS!**

MTC 013189