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May 2 1968

To: S. R. Tarnie
From: L. N. Winchester

Subject: Densification of Asbestopac #233 to Asbestopac #232

Recent developments or results of the subject operation have indicated that there is a considerable element of risk in performing the simple operation of densifying or rerolling materials purchased from Smith & Lane, Inc.

Material received as asbestopac #233 is acceptable to our specifications (P.S.) according to Inspection and Research Lab groups.

However, after performing the simple operation of rerolling or densifying the same material we are confronted with a rejection due to oil or water immersion test failure or tensile test.

Any part or even the entire shipment may be rejected or a deviation is approved to release all or a part of the shipment if we accept charges for scrapping the centers of gaskets made from this lot of material.

VPD-91-0001229

It appears that the Hard Gasket Div., and the Raw Materials Area 4 in particular performing a service involving receiving, testing, storing, densifying, testing and shipping at a considerable risk.

We recommend selling only the storing and densifying service. We will reroll or densify the material accepted and selected by Plant 4. The resultant product will be their property, good - bad - or deviated.

While we are only guessing, we believe the losses from a deviated lot of 30,000 lbs can keep this operation in the loss column for several years at the present rate of R.O.I.