CC: Mr. C. A. McCaskill - Ardmore
Mr. A. L. Meyer - Ardmore
Mr. R. Sikes - Ardmore
Mr. T. L. Wilson - Paoli
Mr. C. G. Shuttleworth - Paoli
Mr. R. Smith - Legal Dept.

TD-416

PLAINTIFF'S EXHIBIT
GP-1184

December 3, 1963

Mr. J. A. Marian, Manager
Gypsum Products
Johns-Manville Sales Corporation
22 East 40th Street
New York 16, New York

Dear Joe:

We have discussed here rather carefully at all levels and all phases of the Bestwall Gypsum Company's operation, Johns-Manville's request to make available to them the new formulated Type "X" wallboard, which you sell as "Firetard". I mentioned to you that it had considerably more glass fiber than the previous formulation which was the main reason for the increased fire resistance possible, which thus far has been established insofar as the 5/8" board is concerned with the 1½ and 2 hour fire resistive floor and ceiling assemblies with a single layer of the material beneath bar joists. I also pointed out to you that it would be necessary due to the increased cost of the product to drop the discount on the product one point with the net result that Johns-Manville would pay Bestwall approximately 50¢ per thousand more. In our last discussion, you indicated you wanted to have the new formulation made as a special product and continue with the old formulation.

I have pointed out to you that Bestwall presently is making only one formulation for Bestwall and that is the new formulation. I had mentioned to you that Bestwall is making additional fire tests and have had some successful tests with the ½" product proving its greater value. Under the terms of the Johns-Manville - Bestwall Contract, Bestwall is required to furnish to J-M the products made by Bestwall and sold to Bestwall accounts.

We have decided to proceed after the first of the year under this particular phase of the agreement to make available to Johns-Manville only one formulation of the product and that is the improved formulation which will be the same as Bestwall's. We cannot maintain stocks of so many different finished goods and give satisfactory service at a minimum cost nor can we continue to have so many various tapes that are not necessary.

SGP 0024028

Mr. J. A. Marian, Manager
Gypsum Products
Johns-Manville Sales Corporation
New York 16, New York

December 3, 1963
Page 2

The Wilmington Plant is being requested to send to your attention immediately about 50' of the present end bundling tape for Firetard both in the 5/8" and in the 1/2" thickness. Would you please be sure to review this and indicate whether you want this design altered or continued the same. Insofar as the UL Label section is concerned it will be changed to correspond exactly with that on the new Bestwall Firestop tape. Any costs for changing the plates will be for J-M's account. Arrangements will be made with Underwriters to get some refund on the old Firetard tape. You will be advised of any costs in the changeover insofar as the rest of the end bundling tape is concerned.

Plants will be instructed to run their stock of finished goods down with the old tape and just as soon as the new tape is available then the new formulation will be made and the new end bundling tape used. At the time of the changeover an adjustment will be made in the Exhibit "A" to reflect a slight increase in Firetard at all plants.

Very truly yours,

BESTWALL CERTAIN-TEED SALES CORP.

C. E. Abbey
Administrative Assistant to
Director of Merchandising

CEA:mm

SGP 0024029

11-60
S. A.

Bestwall - Certain-teed Sales Corporation

Ardmore DATE July 19, 1961 FROM General Sales OFFICE

NTION OF Mr. R. Smith SUBJECT JM BAGS

VERING YOURS DICTATED BY C. E. Abbey - dkp

Mr. A. L. Meyer - Ardmore RE: Extra Cost

You will recall the other day we were discussing the terms of the contract between JM and Bestwall and it was pointed out that Bestwall was to furnish the tapes, labels and bags on the same quality as Bestwall materials and at no greater cost than Bestwall materials. I have pointed out to you there was little or no problem insofar as tapes and labels were concerned but the bags were quite another matter.

Due to the quantities that Bestwall buys of different bag goods, the average bag cost according to the cost department is $110.00 per thousand. Many of the JM items are bought in 1000 lot quantities, 5000 lot quantities or 10,000 lot quantities, in order to keep their quantity down due to the small amount of sales anticipated for sometime. The cost per thousand runs from $120.00 per thousand up to as high as $254.00 per thousand.

This matter is aggravated due to the fact that a bag for the same product will have different sizes at different plants and hence they cannot be combined as one bag, (there has to be a manufacturers up-charge for the change in size of plate) and even though JM bags are combined with Bestwall bags in the purchase there is a manufacturers up-price for changing items within a carload.

In order to get specific differences you would have to take one plant and one item. For instance, consider the cost of the Bestwall glass fibered neat plaster bag at Acme against the cost of the JM neat fibered glass bag a Acme and these would be based on the invoice for a particular order. In other words this would have to be a statistical analysis of the cost after the JM bags are in stock.

It is my understanding in our discussion that you were going to explore the possibility of billing JM for the extra cost of their bags. As I have mentioned to you, we get resistance to putting these JM bags in at the different plants due primarily to the high cost and secondly, to the inventory.

BESTWALL GYPSUM COMPANY

SUPPLEMENT 1, PAGE 1
SCHEDULE 1J
EFFECTIVE: 1/15/64

CANCELS PAGE 1
DATED: 9/15/63

-/ DELIVERED PRICES - GYPSUM BOARD PRODUCTS

DALLAS AND HOUSTON SALES DISTRICTS

THE FOLLOWING ZONE DELIVERED PRICES WILL APPLY ON 40,000# MINIMUM TRUCKLOADS, 60,000# - 70,000# MINIMUM CARLOADS AND 80,000 - 90,000# MINIMUM CARLOADS INTO THE STATE OF TEXAS. SEE SCHEDULE 1J, PAGE 2, FOR DESCRIPTION OF ZONES. STOPOVER AND POOL SHIPMENTS WILL BE PERMITTED IN RAIL CARS ONLY.

PRODUCT:	ZONE 1			ZONE 2A			ZONE 2B			ZONE 3		
	A	B	C	A	B	C	A	B	C	A	B	C
1/4" WALLBOARD	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35.00	$ 34.25
3/8" WALLBOARD	-	-	-	-	-	-	-	-	-	-	39.50	38.50
1/2" WALLBOARD	-	-	-	-	44.00	43.00	-	-	-	47.50	44.75	43.25
5/8" WALLBOARD	-	-	-	-	55.25	54.00	-	-	-	59.50	56.00	54.25
5/8" FIRESTOP BOARD	-	-	-	-	60.25	59.00	-	-	-	64.50	61.00	59.25
1/2" FOIL BOARD	-	59.50	59.00	62.50	59.00	58.00	-	-	58.50	62.50	59.75	58.25
3/8" BACKER BOARD	-	-	-	-	-	-	-	-	-	-	38.00	37.00
1/2" SHEATHING	41.00	38.00	37.50	-	37.50	36.50	-	38.00	37.00	41.00	38.25	36.75

	ZONE 4			ZONE 5			ZONE 6			ZONE 7		
	A	B	C	A	B	C	A	B	C	A	B	C
1/4" WALLBOARD	$ -	$ -	$ 34.25	$ 36.50	$ 35.25	$ 34.75	$ -	$ 34.75	$ 34.50	$ -	$ -	$ 34.50
3/8" WALLBOARD	-	-	38.50	41.50	39.75	39.00	-	39.25	39.00	-	-	39.00
1/2" WALLBOARD	-	44.75	43.50	47.50	45.25	44.25	47.50	44.50	44.00	-	44.50	44.00
5/8" WALLBOARD	-	56.00	54.25	59.50	56.50	55.50	-	55.50	55.00	-	57.00	55.00
5/8" FIRESTOP BOARD	-	61.00	59.25	64.50	61.50	60.50	-	60.50	60.00	-	60.50	60.00
1/2" FOIL BOARD	62.50	59.75	58.50	62.50	60.25	59.25	62.50	59.50	59.00	62.50	60.50	59.00
3/8" BACKERBOARD	-	-	37.00	40.00	38.25	37.50	-	37.75	37.50	-	-	37.50
1/2" SHEATHING	41.00	38.25	37.00	41.00	38.75	37.75	41.00	38.00	37.50	-	-	37.50

COLUMN A PRICES - APPLY TO 40,000# MINIMUM TRUCKLOADS
COLUMN B PRICES - APPLY TO 60,000# MINIMUM BOX CARLOADS AND 70,000# MINIMUM FLAT CARLOADS
COLUMN C PRICES - APPLY TO 80,000# MINIMUM BOX CARLOADS AND 90,000# MINIMUM FLAT CARLOADS

-/ DENOTES CHANGE

SGP 0024031