

**OWENS CORNING
FIBERGLAS**

intra-company correspondence

to R. F. Shannon - Granville from Dan A. Wilson - T/13
date July 26, 1971
subject CHEMBEST ASBESTOS cc: J. J. Young - T/12

As you may know, we recently negotiated an extension of our contract to purchase 1,282 tons of DX asbestos from GSA.

In order to facilitate the substantial cash outlay necessary to bring 400 tons of this material into the Bloomington plant, thereby avoiding extremely high GSA storage costs, it was decided by Mr. Young and me to sell 400 tons of material through North American Asbestos, at our cost. We have learned that the material was purchased from North American Asbestos by Pittsburgh Corning in Tyler, Texas.

Based on Mr. Brisley's projections, we estimate that the material that we now own, approximately 900 tons, will be sufficient to satisfy the production requirements of the Chembest operation for the next two and one-half years, through 1973.

As I understand that DX fiber is no longer commercially available, it is necessary that you establish what fiber can be used as a replacement for DX when the DX is used up. We are obviously hopeful that you will be able to qualify a fiber with a lower delivered cost per ton, which for DX is approximately \$206 per ton.

Secondly, Mr. Young has indicated that we may, at a later date, decide to sell some additional quantity of DX, if we can obtain a price offer which is attractive. North American Asbestos has advised that they expect they could sell some additional quantity at \$182.00 per ton which is \$6.00 per ton more than we are currently paying the Government for this fiber. Assuming that Pittsburgh Corning is the potential buyer of this additional material, please advise what other companies might have an application for DX fiber, to enable me to sell additional quantities at a profit.

Obviously, our eagerness to sell additional DX will depend upon your estimates of the likelihood of qualifying a lower cost, standard grade product. My notes on our conversation with Dr. Alan A. Hodgson of Cape Asbestos indicate that

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he suggested the use of M or S-22 fibers. Since significant storage and interest cost continue to accrue on the 482 tons of material still stored at GSA's depot at Baton Rouge, we need an answer from you as quickly as possible.



Dan A. Wilson

DAW/gh

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