KAISER CEMENT & GYPSUM CORPORATION

INTER-OFFICE MEMORANDUM

TO J. P. Rowe

DATE August 15, 1975

COPIES TO G. J. Chavalas, G. B. Kirk, J. W. Post, J. I. Walker, I. M. Watson

FROM L. C. Dupuis

SUBJECT NON-ASBESTOS PREMIX DUAL PURPOSE JOINT COMPOUND (W.O.#696-314)

With reference to your memo of August 13, 1975, following is the current status on this product:

In Southern California, the Santa Ana plant has resumed shipping the asbestos based product which has good customer acceptance. The plant's asbestos supply will be out the end of next week and additional asbestos is not available. In the meantime we have made a change in the non-asbestos formula that should improve the workability and shrinkage. This is being tested by Tom Smith in Southern California today, with further tests to be run Saturday and Monday with the three major customers: Norwall, Hopkins and Rialto. If these tests are successful, the product can be realeased next week.

As we discussed, the viscosity of the non-asbestos formula will still be a little different from the asbestos and will not require the thinning that customers were used to doing with the asbestos product. This really could be considered an advantage if the customer is forwarned by the salesman and a special label is used on the boxes temporarily.

George James is checking the raw materials carefully to prevent any recurrence of the grit problem. The vendor is also checking it.

All other products in Southern California are working well according to information I have received.

In Northern California, non-asbestos dual purpose joint compound is working well. We did have an acceptance problem with the non-asbestos topping, but since changing from gypsum to the limestone based product this too is working well. Pace Drywall, for one, likes the product. Eventually, we hope to go back to the gypsum based non-asbestos topping to reduce costs and are now working to eliminate the hard sanding and nail spot workability qualities that the customer did not like. It will be thoroughly field tested before a release is recommended.

We will stay close to progress next week and keep you posted.

FORM 150

EXHIBIT 7
hg Litigation Services

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