

FORM 2310-5-65 PRINTED IN U.S.A.
INTEROFFICE CORRESPONDENCE
GAF Corporation

W. R.

JAN 6 1976 COMPANY CONFIDENTIAL

Transmittal - 10-10-75
3-10-75

TO Mr. R. W. Smith
LOCATION 140

FROM L. B. Stocks
LOCATION 140

DATE December 29, 1975

Copy Top Page
Wattbull
K. Ross

11/2/76
W. Fassuliotis
Bill
Wattbull: League with
the miss - Gay Smith

SUBJECT: Economic Impact of Proposed Asbestos Standard

We have reviewed W. Fassuliotis' memo of December 16th and believe that if the new standards are adopted, we must invest the \$154 M at Erie 16th Street needed to comply. The demand for our products continues to grow and we do not see any reversal of this growth pattern in the foreseeable future.

Our reply to the specific questions are as follows:

- a and b) The \$26,800 annual operating additional expense can be offset by price increases. That portion of the \$154 M capital expense not offset by increased efficiency can also be offset by a price increase.
- c) With demand for product now exceeding supply, we do not anticipate any loss of sales volume due to a price increase.
- d and e) Of the numerous type products in our line, the only line for which there is currently a suitable substitute is Asbestos Saturating Felt for built up roofing. We understand that there are glass fiber products available for this end use.

Since our long range plan is to up-grade our sales and profit by increasing our Asbestos Latex Gasketing sales, we do not see the loss of the Asbestos Saturating Felt market as a major or long-term problem. Glass Fiber-based products are not suitable for the gasket market.
- f) We do not anticipate the loss of any business; however, we are sure that some of our customers will resist acceptance of the new standards.
- g) An extended compliance schedule would be less disrupting and would lessen the economic impact.

[Signature]
L. B. Stocks

LBS:km

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— St. Louis Asbestos Surveys —