

FILE NAME: Owens-Corning (OC)

DATE: 1971 Oct 15

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DOCUMENT DESCRIPTION: Memo RE Asbestos Free High Temp Insulation



EXHIBIT
K606

Def
10/1

Intra-company correspondence

to John Kern - Toledo/23

from Don Glosser - Toledo/23

date October 15, 1971

subject:

cc: Bob Davis - Granville
Grag Faherty - Toledo/23
Per Saverstrom - Toledo/23
Lou Saxby - Toledo/23
Dick Shannon - Granville

Attached POR is submitted for approval and inclusion into our 1972 development budget. I have also attached Dick Shannon's memo of October 8th which outlines his approach and timing to complete the development program.

I strongly recommend that this program be funded and established as a high priority program for 1972 for the following reasons:

MARKET CONDITIONS

Pressure for an asbestos free high temp insulation is increasing. For example, the following owners have now excluded asbestos containing products:

- Dow Chemical - Midland, Michigan and Houston
- Gulf Oil - Houston
- Newport News

In addition, we have had numerous requests from owners requesting a statement from OCF regarding the amount and types of asbestos used in the manufacturing of Kaylo.

COMPETITIVE SITUATION

Pabco, Carey, GAF & PFC are now in the process of marketing and test marketing in asbestos free products. This aggregate annual capacity is estimated to be \$13 MM. Our intelligence indicates that JM has developed an asbestos free product but due to increased costs, has kept the product on the shelf. Should JM decide to market their asbestos free product (capacity estimated at \$.13M) we would be faced with the prospect of selling our product into a \$30 MM high temp market in competition with \$26 MM of asbestos free capacity.

Our decision to abandon the asbestos free development program for 1971 was predicated upon successful product & process development for H.T.I.S. during 1971.

Due to process development problems, H.T.I.S. will not be available for limited marketing until late 1973.

Your immediate approval of this POR is requested so that the initial development work can be started November 1st.

[Handwritten signature]