



INTERNAL CORRESPONDENCE

MINING AND METALS DIVISION

270 PARK AVENUE, NEW YORK, NEW YORK 10017

To (Name)
Company
Location

Mr. R. L. Folkman

Date

February 25, 1971

Originating Dept.

Answering letter date

Copy to

✓ Mr. J. W. Rawlings
Mr. J. Myers
Mr. H. Trautmann

Subject

Asbestos
Export Sales

During my recent trip to Europe, I met with Heinz Trautmann, Commercial Manager of the Coating Intermediate Division of U. C. Europe S.A. and his staff, Mr. Andre Maris and Mr. Wolfgang Lind in Geneva, Switzerland. We discussed the overall situation of sales and resellers activities and the result of our talks were as follows:

Three major product groupings prevail.

- One: Standard Grade essentially for floor tile. After being held back from this market a few years ago due to fear of insufficient capacity to supply, renewed promotion of the market is not now recommended by our European associates due to high transportation costs and low value of the product.
- Two: High Purity Asbestos for the paper industry. Again, having been pulled out of market development a couple of years back, sales effort through Union Carbide's affiliates in various European countries is starting again. They plead for another 6 months or so to determine if their recent efforts can be successful. In any case, they will certainly consider lining up Euroclay or another reseller for long-term direct sales effort of our products abroad if the conditions so warrant it.
- Three: Resin Grades for fillers. Already Degussa, a precious metals firm in W. Germany, have a sales contract signed April 15, 1969 from U.C.C. It is imperative that U. C. Europe work through U. C. Belgium Ltd. to pursue this firm in meeting their commitments on tonnage sales and growth. Full support of Degussa was recommended by our people

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Mr. R. L. Folkman

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in Geneva and a new contract is now being drawn up for negotiation. Such an agreement should include all present and future resin grades of our asbestos and alter the price subject to quarterly review and put it on an FOB King City or FAS West Coast basis.

The Coating Intermediate Division is quite willing to retain Asbestos as their responsibility for all of Europe. The current year 1971 can well be a key period in which to establish long term commercial objectives.

Close liaison is recommended by all concerned.

A handwritten signature in dark ink, appearing to read "P. L. Reiber". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

P. L. Reiber

PLR:db

Dear Mr. Frankenbusch:

I enjoyed meeting you and your associates in New York recently and look forward to continuing our relationship.

We are working on a new agreement but do not expect to complete it before Mr. Rawlings visits you on March 15. By the way, Mr. Trautmann, or someone else from our Geneva office, will accompany Mr. Rawlings to meet with you.

We certainly agree that a new agreement should be long-term, and we will propose that it extend to the end of 1965. It will also be written as exclusive, giving you complete protection in Europe and the United Kingdom.

The continuation of the agreement will depend on performance parameters, as we discussed, which are mutually agreeable and beneficial. We will also propose an annual minimum purchase quantity which will be something less than the performance standard.

As we noted in New York, our costs for manufacturing A-28 have substantially increased and we must discuss with you an increase in the price of this product. We are investigating more optimum shipping methods in an attempt to minimize the increase. Mr. Rawlings will have the latest information during his visit with you.

We plan to extend the payment terms, as you have requested, from the 30 days in our current agreement.

We also concur with you that a greater exchange of technical information is imperative and will cooperate to the fullest. A "hold-harmless" paragraph regarding the FMC German patent will be included in the agreement.

We plan to review our pricing of RG-244 in the U.S. during the second quarter of this year; however, we do not feel this should influence our agreement with you. From the customer's standpoint, there are two distinctly different products involved, A-28 and RG-244. We do not sell A-28 and Degussa does not sell RG-244. A comparison of RG-244 and Aerosil prices in the midwest shows that there is little difference; and, in many applications, there is no performance advantage.

We certainly appreciate your recent orders for A-14 and A-28. I understand that partial shipment has been made and the remainder will be shipped very soon.

The literature describing RG-144 and RG-244 which we discussed is being sent to you under separate cover and should arrive shortly.

Best personal regards.

Very truly yours,

J. L. Myers
Marketing Manager
Calidria Asbestos

CC.: Mr. H. Trautmann, Geneva
Mr. J. W. Rawlings.

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