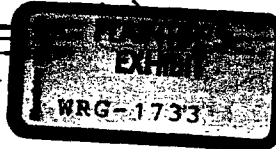


GRACE



Construction Products Division

W.R. Grace & Co.
62 Whittemore Avenue
Cambridge, Mass. 02140

16171 876-1400 03632200

October 14, 1980

Mr. S. V. Chamberlain
Director of Purchasing
O. M. Scott & Sons
Marysville, Ohio 43040

Dear Sarge:

Your letter of September 11, 1980 informing us of your decision to discontinue use of Libby concentrate is disappointing news indeed. We had hoped that the significant strides made in reducing contamination of Libby concentrate, including the investment in a new tremolite removal circuit aimed particularly at cleaning up the fine grade concentrates, would encourage Scott to continue to purchase Libby #4. As you may know, the new circuit has encountered some startup difficulties which are expected to be remedied by year-end. ~~While it is not possible under present state of the art to reduce the tremolite contamination in Libby concentrate to zero, we continue to anticipate achieving the 40% - 50% reduction which we discussed as our objective during our last meeting in March of 1979.~~ A variety of other smaller changes have had a profound cumulative effect in our expanding plants as indicated by the following data on average personnel exposures for all samples of our own expanding plants which utilize Libby concentrate:

Year	Expanding Plant Average With Libby Concentrate	Maximum OSHA 8 Hr. TVA Allowed
	f/cc	f/cc
1975	2.84	5.0
1976	1.72	2.0(effective 7/1/76)
1977	1.27	2.0
1978	0.62	2.0
1979	0.46	2.0
1980YTD	0.20	2.0

Since we have experienced this sharp improvement in exposures to our own expanding plant personnel, we would expect similar improvements over the same period for your operation in Marysville, assuming comparable measures have been taken at the expanding plant itself. The new tremolite circuit should

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result in further improvements when it is fully operational.

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We have focused our attention on lowering the level of tremolite contamination in Libby concentrate to the maximum extent feasible to make it suitable for your use. This effort was undertaken since ~~was still in South Carolina~~ ~~was and is operating at full capacity, and is fully committed to existing customers, including our own internal use.~~ We indicated that as an emergency measure, we could make limited quantities of South Carolina concentrate available to you by shipping Libby concentrate, at substantially higher freight cost, into our own expanding plants in Florida and the Southeastern U. S. which have been traditionally serviced from South Carolina. We offered this as an accommodation to a valued customer of long-standing. Now that you have obtained other sources for vermiculite at prices acceptable to Scott, we no longer see a need to supply ~~nor wish to quote on supply of concentrate from South Carolina.~~

Your mention of regulatory forces that "require" you to seek sources of vermiculite with the lowest asbestos contamination possible catches us by surprise, especially where there is no reasonable likelihood of fiber emissions from the finished product. ~~Both your tests and our tests indicate that Turf-Builder releases no detectable free form asbestos fibers, and restrictions, if any, as to the use of raw materials containing the lowest level of contamination feasible would not be applicable. In fact, if we were using Libby concentrate ourselves to produce a lawn fertilizer similar to Turf-Builder, utilizing the Trionize[®] process, we would feel confident of meeting all present or proposed regulations.~~

Should you still choose to terminate use of Libby concentrate, we would ask that you let us know what requirements you will have during the next six months so that we can make appropriate plans for fulfilling those requirements and/or begin our program for developing alternative uses for such material.

Following your termination of regular use of Libby concentrate, should you wish to resume buying from Libby, we will be most happy to supply you, subject to availability of material, provided that we receive a six-month notice prior to the desired date of the first shipment so we may schedule our mine operations accordingly.

Sarge, we hope you will give consideration to continued use of Libby concentrate, particularly given the dramatic improvements in its purity. Rod

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I would appreciate the opportunity to visit Marysville to review this
issue with your senior management.

Very truly yours,

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Clay

E. S. Wood
Executive Vice President

ESW/acd
cc: R. Gruenbaum
L. Herron
J. Kennedy
J. Kilsheimer

bcc: W. R. Hanlon
R. M. Vining
J. W. Wolter

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