

STARR DAVIS CO. OF S.C., INC.

E. I. DuPont de Nemours & Company, Inc.

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Additionally, we included removing and replacing only asbestos containing materials. Systems containing other insulation types or non-asbestos materials were not included. We looked at, and included the overall systems containing asbestos; however, we realize that DuPont had already replaced a small amount of the systems, and this could be taken into consideration. In attempting to estimate this project, we based our estimate on having continuous access to the work and having areas available for insulation on a timely basis. This would probably require on certain systems or areas that the system be down for the period of time required to complete the work.

We call to your attention that the estimated figure is based on today's prices and also based on approaching the job on a ten year completion program. Escalation then, would have to be taken into consideration to project the total cost at the project end. Based on our past experience, the following is our opinion of how inflation will affect insulation costs over the next ten years:

LABOR	-	11% per year
MATERIAL	-	12% 1st & 2nd Year
		18% 3rd through 10th year

As we discussed with you at the plant, most of the insulation in the plant is in very good condition. Rejacketing or resealing where needed, would certainly be a less costly approach to containing the asbestos, rather than a complete removal and disposal.

We hope that the information we have provided you will be of some assistance to you in solving your asbestos problem. If we may be of further assistance, please advise.

Very truly yours,

STARR DAVIS COMPANY OF S.C., INC.

Marcus J. Ball
Vice President - Contracting

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