



INTERNAL CORRESPONDENCE

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Date August 18, 1975
 Originating Dept. "Calidria" Asbestos
 Answering letter date

Copy to H. B. Rhodes
 W. C. Thurber
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 File ✓

Subject Re: RCI & RG-244

EXHIBIT

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RI-13

Gordon and I visited Elizabeth on 8/4/75 to talk to Jerry Baer, (plant manager) and John Wineman (eastern region manager and V.P.). We wanted to try to get them to use RG-244 since Carteret (under Wineman) uses asbestos and wants SG-210 from us on a continuing basis. Baer's basic objections are to using a "hazardous" product, RG-244, to replace Cabosil, which is not considered hazardous by lay people and OSHA; and the medical exam requirement. His union has been negotiating for exams for several years but RCI has been able to avoid it. He does not want RG-244 to be the stepping stone to medical exams for all.

Wineman showed us a memo from Vince Morrow which said to forget RG-244, and a letter from Tom Schumacher (VP of the southern region) which described in refutable terms the problems associated with using RG-244 at Jacksonville. He concluded that there were little, if any, technical or economic advantages for RG-244 over Cabosil; and that White Plains must dictate the use of RG-244 if they were to change their thinking.

Jack Walsh's recent discussions with Homer Dunnmon (Jacksonville plant manager) have been very discouraging and we have been accused of wrecking any chances by talking to White Plains. Tom Norris has recently faced a stone wall at Azusa and Walker (Tacoma) is no longer a proponent of RG-244.

I talked to Vince Morrow on 8/11/75 and he was aware of our visit to Elizabeth. He was somewhat apologetic for his memo but was firm in supporting it. He says he can spend no more time on something which everyone is against (I talked to Ed Shea, chairman of the board), several days ago and he said he has never seen such universal resistance to a new material, idea, etc. He said he does not understand it and indicated he was going to (keep his nose out of it). Vince said Schumacher's letter would reflect Homer's feelings so there was no point in seeing Schumacher. He does not mind if we continue to pursue business at the "grass roots" but he will offer no help and sees little chance for success. A situation in Azusa finally prompted Morrow to write his memo. A new plant is being built and the LA APCD called in the County Health Department when it was reported they may use asbestos.

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Azusa told them they would not use asbestos and the health people backed out. The APCD told them they would have to install a \$15,000 bag filter system. Walker decided to scrap all consideration of using RG-244. Morrow could not believe that we were not having the same trouble with other companies.

Morrow has heard of no Cabosil price increase and played golf last week with the Cabot sales manager. Jacksonville is apparently the only place getting Cabosil at below-schedule pricing. This is probably the result of aerosil competition (all aerosil is imported into the U.S. through Jacksonville).

Bob Byrne, Jack, and I had dinner with Homer on 8/13/75 in Jacksonville. He said that our sales efforts were not at fault and that RG-244's failure at Jacksonville was an unfortunate victim of internal politics. Tom Madden is not only a thorn in our side but has apparently caused the united regional stand against RG-244. Homer likes RG-244 and was almost prepared to make a 100% switch when White Plains told him "how to run his plant". He is prepared to hold out until the rules are changed. He is getting "off-spec" Cabosil for 80¢/# and finds no fault with it. He did not deny that aerosil competition was a factor. Homer said Cabosil would go up about 20¢/# on 9/1/75.

Asbestos, and therefore, RG-244, is a dirty word with RCI and probably one bad apple (Detroit) has helped to ruin the whole load. We may have caused some trouble by pushing at White Plains, but we certainly weren't getting anywhere in the field and did not have much to lose. I feel you should limit field efforts at RCI until 2 or 3 of the following: Cabosil price increase, OSHA clarification on medical exams, federal regulations which would affect Cabosil, availability of a wetted RG-244 which falls outside OSHA, and/or similar happenings.

We shall find out what the LA APCD is using to avoid further loss of business or customer harassment. By copy of this memo this task is given to Tom Norris to handle thoroughly and as expeditiously as possible considering his personal situation. You should all be on the lookout for a new Cabosil price schedule.

The apparent permanent loss of potential RCI business (TPY) is a serious blow to increased RG-244 sales. Their decision will undoubtedly affect their affiliates in Japan and Australia; and, since they are a leading polyester producer, their abhorrence to RG-244 may become known throughout the industry. You should keep in very frequent touch with major customers to be aware of any plans to eliminate RG-244, and you must devote a major share of your time to selling RG-244. The best, and perhaps only, way to get RCI business is to sell to most of their competitors in increasing quantities. If they can produce a cheaper and better resin with RG-244, RCI will have to listen.

John L. Myers
8/18/75
rsv

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