

MONTHLY MANUFACTURING REPORT

JULY 1975

1. FINANCIAL SUMMARY

a. Results

	<u>Inter-Co.</u>	<u>Trade</u>	<u>Total</u>
Plant Sales June	\$ 184,000	\$ 109,000	\$ 293,000
Plant Sales July	177,000	118,000	295,000
Plant Sales YTD	\$1,505,000	\$ 844,000	\$2,349,000

b. Discussion

July sales were still depressed and about the same level as June. The plant is working two shifts with the second shift on a very limited basis. The work force remains the same as June with 34% of the work force on lay off status. 712 tons of product were produced which was a 15% decline from June.

2. FUTURE VARIANCES

a. Recipe

Trials on an RM 265A free Kalminex is progressing. Field trials should be conducted in mid August. Thus far nothing has been done on EP 5676B.

b. Foseco Trucking

Savings for the month were \$10,732.34. 65 trips were made which was 75% of the total freight hauled out of Mt. Braddock. Cost per mile was again reduced slightly to \$.689 per mile. Accumulated savings thus far in 1975 are \$68,887.64 for an average of \$9,841.09 per month. Average cost per mile thus far is \$.701 per mile.

c. OSHA

All violations cited in the July inspection have been corrected. On August 5, 1975 the eye protection program was established and is being enforced. No apparent problems were encountered.

d. Quality ControlExothermics

Production in this area was higher than reported this period. Misplaced reports weren't included, but confirmation by F. Ghrist indicated that our scrap percentage is in line.

PLAINTIFF'S
EXHIBIT

FOS-7500

2930

11 MAJOR PROJECT PROGRESS

A. Asbestos-Free Conversion Program

1) Objectives, Scope, and Potential Impact

Eliminate asbestos and develop asbestos free recipes.
(Origin January, 1975)

2) Project Status

#685 Copperweld - Thermex increased penetration and is giving at least equal results at lesser cost, according to customer and sales reports. The revised tool which is needed to improve Foseco's position was ordered in May.

#800 Kaiser Steel - We have reverted to asbestos-bearing Profax 10 in order to obtain much-needed sales dollars. Kaiser yield test results on the EP 5672P are reported as "not too good". Actual metallurgical results are awaited.

Seal-On Rings are being made in an "almost asbestos-free" recipe in Chicago, but Cleveland is still unable to make production runs on the Mark IV machine.

B. New Seal-On Programs

1) Objectives, Scope, and Potential Impact

To design, plan, and follow-up the various Seal-On Programs.
(Origin January, 1975)

2) Project Status

#985 - 25" sq. U.S.S. - Gary - Apart from some problems with undercured rings which were difficult to handle in the mill, this program continues and should improve when business picks up.

#737 - 33" sq. Bethlehem - Lackawanna - We now have two full drags of castings - a total of 64. Some serious leaker problems are believed to be due to a combination of poor quality Chicago rings and mis-fitting side boards. Corrective action was taken. On the other ingot size (#1160) Ferro got the first 4 test castings but Foseco will get the next four.

#453 - 34" sq. Republic Chicago continues as one of the most promising current accounts and an increased share of business is being pursued.

A problem with casting location on the mold is being corrected by sales. We now have 147 castings in service.