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GRACE

Construction Products Division

January 5, 1984

TO: R. J. Battacchi

FROM: R. A. Marther/G. T. Anderson

SUBJ: December, 1983 Monthly Report
Fireproofing Products

cc: D. M. Hilton
L. S. Shu

A. Major Project Status Report

1. MK-5SGM Introduction

There were no field reports of SGM product performance problems during December as we continue along in this "monitoring" phase.

We had an excellent meeting late in December with Western Region management concerning SGM introduction in the Phoenix market in early January. Ralph Burnham indicated that while Phoenix was mostly a MK-4 market (and therefore represented a difficult "double-jump") he was receptive to product introduction in Vegas (job schedules permitting). Plans were made to bring L. Schilling to San Francisco in early January for field training.

2. UL Fire Testing

The enclosed Table B provides an update of current UL fire test programs.

After discussions with Western Region, the importance of our promptly addressing the ASC Pacific test was made clear. As you know at one time we actively considered not spraying this assembly. The Region has made it clear that this is not a viable option. We met with ASC Pacific representatives in late December to plan a strategy for their test. We discussed with them the possibility of a bonding agent or pins in order to pass. Presented as a "short term" solution, neither concept seemed to greatly disturb them. We have also planned to meet with UL in early January to go over a test schedule and establish test thicknesses.

Over \$4,000 worth of deck has been ordered from Mac-Fab in order to construct twenty (20) fire tests at TR. This material should be available in mid January.

We have been approached by Kopper's representatives concerning running a joint roof-ceiling fire test with them using their rigid phenolic foam. Some preliminary market information will be necessary prior to pursuing such a test.

3. SBO Vermiculite

Due to low winter demand (and therefore full silos) the Trenton introduction of SBO vermiculite has been delayed until January.

4. Vermiculite-Asbestos

- a. During December there was only one reported incident of Monokote and asbestos. This was regards replacement fireproofing on the Mobile County Health Department Building and was raised by the fireproofing subcontractor who wanted to use Spraydon. We were able to hold this job to Monokote.
- b. As separately reported we did visit the GSA in December to discuss their fireproofing spec which contained the clause "No material containing asbestos is permitted". They had reported receiving information from Cafco and Spraydon on Monokote's "asbestos content".

We gave them our now "standard" response and a brief history of the Convention Center, etc. which lead to the four test reports.

We believe they were satisfied with regards the safe use of Monokote and our conclusion that Monokote was in full compliance with this spec.

We did discuss with them the possibility of revising this spec wording to ban fireproofing materials containing hazardous and toxic materials (including asbestos). We have internally suggested wording and will get back to them with our suggestion in January.

- c. None of the labs (Smith Emery, New York Testing or Consulting Health Service Inc.) contacted in November/December concerning their erroneous lab reports of Monokote's asbestos content, have agreed to retract/withdrawn their reports. As discussed legal action is to be considered since the approach of "gentle" technical persuasion has not proven effective to date.

5. Research Projects

We have had several meetings with Research personnel to review past fire test performance in order to establish work plans to resolve our current problems.

Most other activity (L #3 quality and product uniformity studies) have been delayed because of the fire testing situation.

B. Market Conditions

Dodge's Construction Potential for 1984 predicts a 28% drop in the office building floor area (1983-252 million square feet, 1984-182 million square feet). As they have been "shouting" for over a year the office building market is overbuilt. They feel that this is made even more true because of the strong O&B market in 1983 (almost even with 1982 results).

They now predict a further decline in this market in 1985 to the 125-150 million square foot level. Engineering News Record reports contract awards for the O&B sector to be within 3% of 1982 results. These reports echo the previous comments by Dodge on the strength of this market in 1983.

C. Competitive Activity

Cafco has started advertising (in ENR) touting themselves as the "risk-free choice for asbestos free fireproofing". Their ad does call attention to their use on the World Trade Center and Sears Tower. We believe both were sprayed with Cafco containing asbestos (pre 1972). We will check out our facts on this issue before doing anything further.

D. Other Activities

1. We had an excellent session with the Regional Product Managers. My thanks to them for their time and thoughtful comments which made this meeting a success.
2. Material was produced for BS.476 testing and shipped to Hawkins for application. Also, in the export area 1984 transfer prices were prepared for PID.
3. We have achieved 85% of our goal on UL approval for revising the Topkrate formula. No further work is planned.
4. Several drafts of an agenda for the ANCI Academy were prepared. This shapes up as a good session. We will verbally advise Cafco representatives not to raise the asbestos issue during this program. If they do we will have a special showing of the NYC video tape. We should be prepared for anything from them.

E. January Activities

1. Bulletin on primed steel.
2. Navy Fireproofing Spec - meeting on asbestos.
3. AWC Academy - January 13-15, 1984.
4. Preparation for National Sales Meeting.



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