

CONSTRUCTION PRODUCTS DIVISION

TO: P. J. Walsh - Zono/South Gate

DATE: January 28, 1974

FROM: W. R. Wright

SUBJECT: Spokane Plant
Closing

cc: T. L. Lyall
J. H. Huxley - Zono/L. A. Plant
S. P. Rainer - Zono/Spokane
C. J. Boyer - Zono/Santa Ana

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As we discussed last week, the Spokane Plant will close on March 11, 1974. To accomplish this shutdown as smoothly as possible we should take the following action:

- (1) Use up all ore and other raw materials. Reduce inventories of bags, etc., as low as possible. Remaining empty bags, supplies, etc., will be transferred to Portland with the exception of Redi-Earth and Jiffy Mix materials. These will likely go to Santa Ana.
- (2) All plant equipment, rolling stock, spare parts, etc. will be transferred to Portland. There is very little of the furnace equipment worth salvaging. Huxley and Rainer should make a judgment on what is worth keeping and junk the rest. Scott should make a complete list of all equipment and its disposition so we can get the fixed assets records straight. Under our lease agreement we must remove all equipment. I assume we must also leave the facilities at least "broom clean".
- (3) Joe Schachter will notify both our landlord and our tenant of our intention to close down. Both require 12 month advance notice.
- (4) Portland will pick up the bulk of Spokane's business. Therefore, we must prepare Portland for maximum production. We should plan and man for at least six-day operation.

Necessary furnace maintenance should be done to eliminate all dust leaks and insure maximum on-stream time. A complete cleaning of the furnace room should be done, including accumulated dust removal from overhead beams and ledges. This should be done on a routine frequency so as to reduce our exposure to OSHA dust count violations as much as possible.

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re: policy of complete candor.*

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- (5) Scott should notify his employees of the impending shutdown no later than February 1st. The reason given should be due to high operating costs only. Do not refer to any of our problems with OSHA or EPA. The employees will be given a severance allowance based upon one week per year of continuous service. We will also give them their 1974 vacation allowance as if they had worked through June 1st. Our three part-time employees will receive the same consideration based on hours worked during 1973

I'm sure there are many items to take care of which I have not listed. Please don't hesitate to call me if you have any problems or questions.


W. R. Wright.

WRW:dlc

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