



INTERNAL CORRESPONDENCE

ETALS DIVISION

270 PARK AVENUE, NEW YORK, NEW YORK 10017

to (Name)	Mr. R. L. Folkman	Date	October 27, 1980
Division	Building	Originating Dept.	
Location	38th Floor	Floor Number	
Floor Number		Answering letter date	
Copy to	Dr. F. J. Shortsleeve	Subject	<u>1981 Asbestos Budget</u>

The objective set for the Asbestos Business during the St. Louis Budget Meeting is to increase sales income so that rising plant costs are offset, and to project a 1981 percent gross margin equivalent to that now estimated for 1980 (about 30%). The attached revised sales budget will provide the income necessary to meet this objective.

The revisions include the addition of new sales; increasing the volume of some existing accounts and increasing prices by an average of 17.9 percent. John Myers is preparing the necessary requests for authorization to increase prices.

The magnitude of the increase in income required to offset the rapidly escalating costs is a graphic illustration of what is happening to energy costs in California. The actual increases in the cost of energy in California are comparable to what is being experienced everywhere in the Western World, but in California a disproportionate part is passed on to industry and the individual consumer is purchasing energy at less than cost. This has happened quickly and its full impact is not yet clear, but California energy intensive industries may already be non-competitive. Increasing prices as required in the 1981 Budget will be a test of King City asbestos products in this respect.

A significant part of the increased volume in the revised budget is floor tile filler for GAF. We have supplied some product to two GAF locations since Atlas ceased operation. One location is in the east and it is not possible for UCC to compete with Canadian short fiber at this location. Atlas did compete and perhaps this added to their eventual demise. GAF has always been a price buyer and it is likely that GAF will continue to buy from UCC only until they can work out the technical aspects of switching from Coalinga fiber to Canadian short fiber.

Mr. R. L. Folkman

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October 27, 1980

All things considered, the risk associated with the budget attached is high. In an attempt to quantify the risk, the price and volume changes have been rated roughly as to the probability of attainment and the ratings are summarized as follows:

	<u>Sales, M\$</u>	<u>Cumulative, M\$</u>	<u>Probability of Attainment</u>
1980 Fcst IV	7,317	7,317	1.00
	1,447	8,764	.85
	80	8,844	.50
	512	9,356	.25

This is probably an optimistic assessment.

L.W. Rotholz

RWR:ac
Att.

Calidria Asbestos 1981 Sales Budget

(JLM Revised Oct. 27, 1980)

Product	Budget		CL Prices, FOB Plant, S/T		
	Tons	\$M	Current	Planned	% Increase
SG-103-5	1500	198	122	132	8.2
(1) -7	3600	487	122	132	8.2
(2) -9	1800	238	122	132	--
SG-104	10400	1206	106	116	9.1
-130	200	39	170	194	14.1
(3) -200	360	63	160	176	10.0
-210	300	75	220	250	13.6
HPP	20	4	204	224	9.8
HPQ	740	185	220	250	13.6
(3) RG-100	570	399	560	700	25.0
-110	220	59	240	270	12.5
-144	400	280	560	700	25.0
-244	440	1408	2500	3200	28.0
CSV	3300	594	160	180	12.5
SHUR	1140	205	160	180	12.5
(4) UNIVIS	500	90	160	180	--
Dom. Total	25490	5530			
SG-100-EX	3100	409	125	132	5.6
-130-EX	180	34	164	188	14.6
-210-EX	0	0	--	--	--
AS-200	1100	174	144	158	9.7
HPP-EX	2640	533	184	202	9.8
HPQ-EX	480	120	220	250	13.6
T-135-P-EX	100	71	648	710	9.6
RG-144-EX	250	175	560	700	25.0
SX-14	90	44	390	488	25.1
(5) RG-244-EX	400	1212	2300	3030	31.74
(6) SX-24	570	1054	1500	1849	23.27
Exp. Total	8910	3826			
Total	34400	9356			
Average Price Increase					17.9

- (1) Assumes 300 Tpm to GAF-lb. and/or Flintkote
- (2) Assumes 150 Tpm to GAF-VG
- (3) Assumes no commission to Harwick
- (4) Assumes Montello finds packager and promotes UNIVIS
- (5) Assumes \$2800/T for TEC and \$3000/T for others
- (6) Assumes price of \$1700/T on 10/1/80 and \$1900/T on 7/1/81

FO - RWR

CALIDRIA ASBESTOS 1981 SALES BUDGET
(JLM, Revised 10/27/80)

10/27/80

Product	Budget		CL Prices, FOB Plant, \$/T			
	Tons	\$M	Current	Planned	% Increase	
SG-103-5	1500	198	122	132	8.2	
(1) -7	3600	475	122	132	8.2	
(2) -9	1800	238	122	132		
SE-104	10400	1206	106	116	9.4	
-130	200	39	170	194	14.1	
(3) -200	360	63	160	176	10.0	
-210	300	75	220	250	13.6	
HPP	20	4	204	224	9.8	
HPO	740	185	220	250	13.6	
(3) RC-100	570	399	560	700	25.0	
-110	220	59	240	270	12.5	
-144	400	280	560	700	25.0	
-244	440	1311	2500	2900	16.0	28.0
CSV	3300	594	160	180	12.5	
SWR	1140	205	160	180	12.5	
(4) UNIVIS	500	90	160	180		
BGM, TOTAL	25490	5421				
		5530				
SG-100-EX	3100	409	125	132	5.6	
-130-EX	180	34	164	188	14.6	
-210-EX	0	0				
AS-200	1100	174	144	158	9.7	
HPP-EX	2640	533	184	202	9.8	
HPO-EX	480	120	220	250	13.6	
T-135-P-EX	100	71	648	710	9.6	
RG-144-EX	250	175	560	700	25.0	
SX-14	90	44	390	488	25.1	
(5) RC-244-EX	400	1145	2300	2800	21.7	31.74
(6) SX-24	570	1030	1500	1800	20.0	25.57
EXP, TOTAL	8910	3736				
		3826				
TOTAL	34400	9157				
		9356				

AVERAGE PRICE INCREASE

17.9

- (1) Assumes 300 TPH to GAF-LB and/or Flintkote.
- (2) Assumes 150 TPH to GAF-VG.
- (3) Assumes no commission to Harwick
- (4) Assumes Montello finds packager and promotes UNIVIS
- (5) Assumes \$2800/T for TEC and \$3000/T for others
- (6) Assumes price of \$1700/T on 10/1/80 and \$1900/T on 7/1/81



INTERNAL CORRESPONDENCE

METALS DIVISION

P. O. BOX 579 • 4625 ROYAL AVE., NIAGARA FALLS, NEW YORK 14302

To (Name) F. J. Shortsleeve/R. W. Rebholz
Division UCC-Metals Division
Location 38th Floor
270 Park Avenue
New York, NY 10017

Date October 23, 1980

Originating Dept. "Calidria" Asbestos

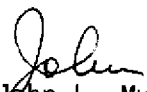
Answering letter date

Copy to G. R. Adams
R. E. Byrne, Jr.
W. B. DeAtley
File

Subject 1981 Sales Budget

Attached is a copy of our 1981 Sales Budget, which has been increased considerably over the one submitted on 9/9/80. The increases are a direct result of the recent financial performance review meeting in St. Louis.

Attached to the budget is a sheet on which I have rated the potential success of certain items, which must be considered when judging the credibility of our performance in 1981.


John L. Myers

JLM:dal
Attachments

UCC 025379

CALIDRIA ASBESTOS 1981 SALES BUDGET-FINAL
(JLM, Revised 10/23/80)

Product	Budget	
	Tons	\$M
SG-103-5	1500	198
(1) -7	3600	487
(2) -9	1800	238
SG-104	10400	1206
-130	200	39
(3) -200	360	63
-210	300	75
HPP	20	4
HPO	740	185
(3)RG-100	570	399
-110	220	59
-144	400	280
-244	440	1311
CSV	3300	594
SHUR	1140	205
(4)UNIVIS	500	90
DOM. TOTAL	25490	5433
SG-100-EX	3100	409
-130-EX	180	34
-210-EX	0	0
AS-200	1100	174
HPP-EX	2640	533
HPO-EX	480	120
T-135-P-EX	100	71
RG-144-EX	250	175
SX-14	90	44
(5)RG-244-EX	400	1144
(6)SX-24	570	1026
EXP. TOTAL	8910	3730
TOTAL	34400	9163 (See attached comments)

- (1) Assumes 300 TPM to GAF-LB and/or Flintkote.
- (2) Assumes 150 TPM to GAF-VG.
- (3) Assumes no commission to Harwick
- (4) Assumes Montello finds packager and promotes UNIVIS
- (5) Assumes \$2800/T for TEC and \$3000/T for others
- (6) Assumes price of \$1700/T on 10/1/80 and \$1900/T on 7/1/81

COMMENTS ON 1981 CALIDRIA ASBESTOS SALES BUDGET

Following are my "ratings" on certain products on the attached 1981 Sales Budget dated 10/23/80, which has been increased by 2000 tons and \$703,000 over that submitted on 9/9/80:

<u>Product</u>	<u>Remarks</u>	<u>Rating</u>	<u>Possible NIFS Loss, \$M</u>
SG-103-7	If Flintkote shuts down, GAF will pickup tonnage	A	0
SG-103-9	To GAF Vails Gate	N-C	238
SG-104	Increased price	R-S	0
SG-130	" "	R-S	0
SG-200	Drop Distributor Commission	R-B	3
SG-210	Increased Price	R-S	0
HPO	" "	R-S	0
RG-100	Increased Volume	R-B	32
"	Increased Price	R-B	8
RG-144	" "	R-B	10
RG-244	" "	R-S	0
UNIVIS	New Volume	N-C	90
SG-100-EX	10/9/80 letter from Tomoe	B	79
SG-130-EX	Increased Price	R-B	1
HPP-EX	Increased tonnage	R-S	0
HPO-EX	Increased Price	R-B	2
RG-144-EX	" "	R-B	6
SX-14	" "	R-B	2
RG-244-EX	" "	R-S	0
SX-24	Increased Volume & Price	R-B	15
TOTAL			\$486M

Rating Codes: N = New, R = Revision, S = Sure Thing, A = 50/50 +, B = 50/50, C = 50/50 -
(Please remember that nothing is a "sure thing")

JLM: 10/23/80