PLAINTIFF'S EXHIBIT WRG121

CONFIDENTIAL

CANADIAN

TO: K. R. Cranker

DATE: March 16, 1970

FROM: R. J. Bragg

SUBJECT: Mono-Kote Reformulation

CC: V. H. Dodson
T. F. Egan

To date we have approached the subject in two manners: replacement of asbestos with entrained air or with non hazardous fibers. Concerning the latter program, our efforts have been rewarding at low density with five successive successful fire tests on compositions containing Georgia-Pacific P-32 unbleached cellulosic fiber.

During a meeting with high ranking officers of Canadian Johns-Manville Co., Ltd., Asbestos Fibre Division on 3/10/70 in South Carolina, I learned the cost figures we had used in our previous costing were low. For example, I was given a laid-down cost in Travelers Rest of $.0260/lb. for asbestos. Actually the correct cost is #.03625/lb.

In addition, Mr. Payment and I made a substitution of air entrainment, changing from Du Pont's Duponal WA Dry @ $.480/lb. to half again as much Proctor & Gamble's Orvas A B Granules @ $.185/lb. This results in a savings per bag of Mono-Kote (i.e. AEA substitution) of $.025/bag.

Combining both of these changes, we now have a formulation using Cellufloc P-32 and Orvus A B which costs $.02147/lb., with a DMC of $1.3735 per 50 lb. bag. The DMC of standard Mono-Kote containing asbestos is $1.3860 per 50 lb. bag.

Strangely enough, because of a competitive situation on the West Coast which led Johns-Manville to provide freight equalized shipments to California, our Los Angeles plant pays less for asbestos than our South Carolina plant ($.02975/lb.). Again, using the new costs for asbestos and Orvus, the DMC of Mono-Kote out of Los Angeles is $1.27/50 lb. bag.

I believe since we are lower in cost (1¼ cents/bag) in Travelers Rest, (new formula vs. old) and since I don't have accurate aggregate costs out of Los Angeles, that we should ask Jim Zisson to cost out the new formula at several points in the U.S. An important consideration here is that the West Coast area should be able to buy Cellufloc at a lower cost than the Eastern U.S.

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