



DEFENSE LOGISTICS AGENCY
DEFENSE INDUSTRIAL SUPPLY CENTER
700 ROBBINS AVENUE
PHILADELPHIA, PA 19111-5000

RECEIVED
SEP 22 1989

PLAINTIFF'S
EXHIBIT
IMO-120



IN REPLY
REFER TO

DISC-PRI (Samuel Dorfman/(215)697-3625)

20 Sep 89

IMO Industries Inc.
Delval Condensor
Front Street
Forrest, NJ 08518-1198

NOTE: SHOULD BE
FLORENCE, N.J.

The Defense Industrial Supply Center is conducting a detailed study of our Gasket Industry. The purpose of the study is to determine not only the response capability of the Gasket Industry in a mobilization or emergency situation, but any problems with manufacturing Raw Materials, such as Asbestos.

Our American Gasket manufacturers are the best qualified source of information to provide us with the most current information available, and we are asking for your voluntary support. We have developed the attached questionnaire, and request you answer and return it to us in the enclosed pre-addressed envelope.

The information you provide will be held in strict confidence.

In order to complete our survey within the DoD time frame, we request you reply by 15 Sep 89.

Thank you for your cooperation in this vital task.

Sincerely,

Encl

/signed
WILLIAM W. O'NEILL
Chief
Industrial Preparedness Branch
Production Division
Directorate of Contracting
and Production

CONFIDENTIAL

TX0344

GASKET INDUSTRY
SURVEY-QUESTIONNAIRE

(If additional space is needed, attach separate sheets with question number referenced.)

1). Do you presently have the capability to manufacture gaskets?
We currently manufacture gaskets for our heat exchanger and air ejector equipment from sheet gasket material. The materials are specification defined - normally HH-P-46 compressed asbestos, or HH-P-151.

2). Are you currently performing as the prime on DOD contracts?

Yes, for our components.

3). If not, are you interested in doing so? If not, why?

4). Are you presently doing business with the DOD as a sub contractor, through an original equipment manufacturer, distributor, or dealer? If so, would you consider supplying spare parts directly to DOD, if permissible?

No. Yes.

5). What is your estimated percentage of Gross Sales to:

	1988	1989	1990 Forecast
Commercial	<u>10(-)</u>	<u>10(-)</u>	<u>10</u>
DOD	<u>90+</u>	<u>90+</u>	<u>90</u>
Other US Gov't	<u>see DOD</u>	<u>see DOD</u>	<u>See DOD</u>
Foreign	<u>0</u>	<u>0</u>	<u>0</u>

6). How much of your production capacity was utilized in 1988?

Approximately 40 percent.

7). How much of your production capacity is presently in use?

Approximately 33 percent.

TX0345

8). What has been your annual capital investment for new machinery from 1984 through this year? Is your present production equipment 5-10 yrs. old____, 10-15 yrs. old____, 15-20 yrs. old____, or older____?

Approximately \$400,000 per year. No gasket making. Overall 15 to 20 years old.

- 9). Are you planning equipment purchases to upgrade capability in 1989 and beyond?

Same rate of capital capital appropriation.

- 10). What do you see as the general trend of your business in the next few years?

Need to find business other than Government and DoD.

- 11). Do you generally have available capacity to accept additional DOD contract work?

Yes.

- 12). Assuming you are producing defense related products, what would be your response to an emergency/mobilization status in which you are asked to increase production two, five, or ten fold, considering factors such as materials, labor, equipment, other commitments?

At this time we would generally welcome an increase in business to fully use our present capacity. We would, however, be somewhat leery to expand unless continuation of work for a period of time sufficient to justify investment could be seen.

- 13). What key impediments would prevent you from meeting surge/mobilization demands mentioned in Question 11 above?

Availability of trained manpower.

- 14). Under present conditions, what is your estimate of the maximum production increase you could sustain?

100 percent capacity.

- 15). What percentage of Gasket material do you purchase from foreign sources _____% and are they used for DOD Contracts?

0 percent.

- 16). Who are your major Gasket material suppliers? Are you confident that they will be able to meet your needs?

Garlock, J. Crane, Anchor Packing, Manville, Klinger. No in asbestos material. We are still attempting to establish a qualified non gasket material supplier.

TX0346

- 17). Could you procure all required materials, raw or otherwise, domestically in the event of conflict cutting off foreign sources?

Yes.

- 18). Do you think the U.S. Gasket Technology has fallen behind that of foreign competitors? If yes, what does your Company think brought this on?

Do not know. Not directly in gasket business.

- 19). What effect will the "Asbestos Phase-Out" have on your Gasket operations?
Difficulty in obtaining approved substitute material.

- 20). Have you been able to find asbestos substitutes for the items you manufacture, and if so, please list name and manufacturer of substitute asbestos material.

Yes, in part, see attached specification comments form submitted in 1985. Still not fully resolved.

- 21). Is this Gasket Mfg. Co. owned by, or a subsidiary of any company capable of producing Gasket material, paper, rubber materials, etc.?

N/A

- 22). Could you provide a list of Gaskets that you are capable of manufacturing by any Government Specifications such as Military Standard (MS) numbers?

No.

- 23). How many employees does your Company employ? _____ What is your approximate number of employees devoted to Gasket production? _____ Number of Gasket production workers only? _____

Approximately 200. None. None.

- 24). Is there sufficient skilled labor available to your company now and in the foreseeable future?

We see a problem in the areas of welding.

- 25). What effect have imports had on your Company in terms of competition for Government contracts?

None.

TX0347

26). Are you competing with imports on an equal basis, or do you feel they have an unfair advantage? If so, why?

No.

27). What percent of foreign ownership, if any? List name of country and percentage?

None.

28). What do you think the preferred role of Government should be to help you with your company problems?

See below.

29). What is your opinion of the Government as a customer of your company and what suggestions do you have for improvements?

See below.

30). Do you have any additional comments or significant points to make? Please feel free to do so.

See below.

(OPTIONAL)

RESPONDENT SIGNATURE:

DATE: September 29, 1989

TITLE: Manager of Engineering

COMPANY NAME & ADDRESS: Imo Industries Inc.

Delaval Condenser Division

28) and 29).

Recognition of limited market. With extensive Government procurement requirements and regulations the fostering of extensive competition would ultimately drive all vendors out of the market; i.e. efforts necessary to obtain limited business can only be warranted when return on investment is adequate.

30).

We are not directly a gasket manufacturer but have encountered problems in obtaining alternate materials to substitute for asbestos containing products. The current non asbestos sheet gasket material specification, MIL-G-24696, to our knowledge still does not have a QPL list. We know Carlock and J. Crane have materials submitted and we have used Carlock's Blue Gard on some of our commercial equipment.

We have also (on our own) conducted tests for alternate packing material to use in lieu of MIL-P-2863 copper-asbestos material.

We thank you for the opportunity to express our views.

TX0348

ATTACHMENTS: 1. Specification Document Improvement dtd 4/17/89
2. Waiver Request dtd 6/28/85

STANDARDIZATION DOCUMENT IMPROVEMENT PROPOSAL

OMB Approval
No. 22-R255

INSTRUCTIONS: The purpose of this form is to solicit beneficial comments which will help achieve procurement of suitable products at reasonable cost and minimum delay, or will otherwise enhance use of the document. DoD contractors, government activities, or manufacturers/vendors who are prospective suppliers of the product are invited to submit comments to the government. Fold on lines on reverse side, staple in corner, and send to preparing activity. Comments submitted on this form do not constitute or imply authorization to waive any portion of the referenced document(s) or to amend contractual requirements. Attach any pertinent data which may be of use in improving this document. If there are additional papers, attach to form and place both in an envelope addressed to preparing activity.

DOCUMENT IDENTIFIER AND TITLE

MIL-C-15430J and MIL-E-15465G

NAME OF ORGANIZATION AND ADDRESS

Transamerica Delaval Inc.
Condenser Division
Front Street
Florence, NJ 08518

CONTRACT NUMBER

MATERIAL PROCURED UNDER A

☐ DIRECT GOVERNMENT CONTRACT ☐ SUBCONTRACT

1. HAS ANY PART OF THE DOCUMENT CREATED PROBLEMS OR REQUIRED INTERPRETATION IN PROCUREMENT USE?

A. GIVE PARAGRAPH NUMBER AND WORDING.

MIL-C-15430J Para 2.1, Tables I & II, Para 3.2.16.3 and
MIL-E-15465G Para 2.1, Tables IV, V & VI, Para 3.5.2.5.1.1.1.

B. RECOMMENDATIONS FOR CORRECTING THE DEFICIENCIES

See Attached Sheet 2

2. COMMENTS ON ANY DOCUMENT REQUIREMENT CONSIDERED TOO RIGID

3. IS THE DOCUMENT RESTRICTIVE?

☐ YES ☐ NO (If "Yes", in what way?)

TX0349

4. REMARKS

We would be pleased to work with you in developing a way to handle and minimize cost to Navy and ourselves.

SUBMITTED BY (Printed or typed name and address - Optional)

Henry W. Braun, Engineering Manager
Transamerica Delaval Inc.
Condenser Division
Florence, NJ 08518

TELEPHONE NO.

(609) 499-3000 Ext. 234

DATE

April 17, 1985

DD FORM 1426
1 JAN 72

REPLACES EDITION OF 1 JAN 66 WHICH MAY BE USED

S/N 0102-014-1802

Transamerica Delaval Inc.
Condenser Division
Front Street
Florence, NJ 08518

April 17, 1985
DD Form 1426
MIL-C-15430J & MIL-E-15465G
Sheet 2

1.8. RECOMMENDATIONS FOR CORRECTING THE DEFICIENCIES

Above paragraphs of subject specifications contain asbestos material. Because of the defined health hazards associated with asbestos we are receiving letters from manufacturers of the sheet gasket and spiral wound gasket stating that shortly they will be discontinuing the use of asbestos as a gasket material. If the Navy has adopted any alternate non asbestos gasket material and has generated the associated specifications we would like to have them identified. We also believe an amendment or revised specification should be issued to provide authority to use an alternate material for application in the identified paragraphs; i.e.:

- (1) MIL-A-17472 - Replaced by ^{HH}44-P.46 for sheet compressed asbestos gaskets
- (2) MIL-G-21032E, Spiral Wound Metallic Asbestos (not listed in specification but used for steam piping joints)
- (3) MIL-P-2863, Packing, Condenser
- (4) MIL-P-17303C, Asbestos Jacketed Packing

Specifications should be changed to reflect new non asbestos gasket specifications. There are currently non asbestos substitutes; however, in lieu of requests for acceptance on each contract we are involved in, we would like specification alternatives that would permit substitution without extensive administrative effort. We believe there must be comparable requests for many other types of equipment and piping applications used for Navy and DOD contracts.

For your reference we have attached letters we have received. We are asking our vendors to supply alternates but we would like to use the specification that the Navy has selected.

Enclosure: A. Gallagher Fluid Seals letter dtd April 11, 1985
B. John Crane International Sealing Systems letter dtd March 6, 1985

BCC: H. W. Braun ✓
J. Gansky
P. J. Hamm
F. J. Smollon, Landover Office
File MIL-C-15430J
File MIL-E-15465G
File MIL-A-17472
File MIL-G-21032E
File MIL-P-2863
File MIL-P-17303

TX0350



GALLAGHER fluid seals

April 11, 1985

Transamerica Delaval
Front Street
Florence, N.J. 08518

Attention: Mr. Tom Dooley

Dear Tom:

We have decided to stop marketing asbestos products as of March 12, 1985. Effective that date, we have not accepted purchase orders for any mechanical packings, gaskets or fluid seals containing asbestos.

We have, for a number of years, brought non-asbestos products to our customer's attention pending the day when this action would be necessary. Although we regret any inconvenience this may cause your company, products are available which will meet your needs. For years, the fluid seal industry has developed and manufactured a complete line of non-asbestos packings and gaskets. Substitutions can be made and we have the product knowledge and application experience to make the proper recommendations.

We have helped many of our customers in making the change to non-asbestos products and we solicit your cooperation in allowing us to do the same for you.

Sincerely,

Joseph W. Gallagher
Joseph W. Gallagher
President

JWG/dlm

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TX0351

APR 11 1985

PURCHASING DEPT.

Arthur L. Knight, Jr.
President

JohnCrane

International Sealing Systems

John Crane-Houdaille Inc.
6400 Cassion Street
Morton Grove, IL U.S.A. 60053
Telephone: (312) 957-2400
Cable: CRANPAC
Telex: 310-223-3623
Telefax: 724-420

March 6, 1985

RECEIVED

MAR 11 1985

PURCHASING DEPT.

TO: JOHN CRANE CUSTOMERS

Gentlemen:

As a partner in progress to the world's industry, John Crane has decided to stop manufacturing and marketing asbestos products on August 1, 1985. This decision obviously has been made in line with growing opposition to asbestos materials, and the availability of excellent non-asbestos materials that have been developed in recent years.

I am advising you of this important decision long before we make any announcements to industry as a whole. I want to assure you that we are committed to protecting you in your current usage, and to giving you ample time to plan your conversion to satisfactory John Crane non-asbestos products.

Our non-asbestos products can be interchanged most successfully with asbestos products and, in some cases, will do a much better job. John Crane non-asbestos packings can and will provide the best sealing with the least amounts of maintenance and adjustment, the best service at the most economical prices.

Our sales and engineering staff will work with you and your people to determine the best non-asbestos materials for your products and the services in which they will be applied. They also will keep your company abreast of new service recommendations for packings and new product developments as they become available from our Packing Research and Development Laboratories.

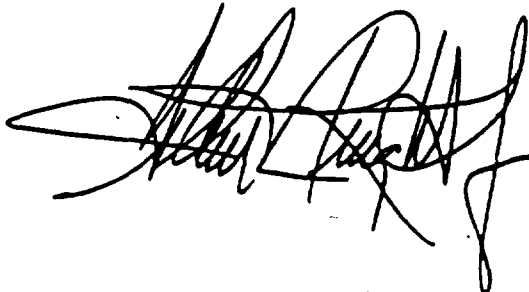
We believe that our decision on this important matter is the right one for our customers and ourselves alike. It is a decision that I feel will set the standards for the packing industry.

If I can be of any personal assistance to you and your company, please do not hesitate to call me.

Cordially,

TX0352

ALK:sko



MIL-STD-481A
18 October 1972

REQUEST FOR DEVIATION/WAIVER
(SEE MIL-STD-480 OR 481 FOR INSTRUCTIONS)

DATE PREPARED
June 28, 1985

PROCURING ACTIVITY NO.

1. ORIGINATOR NAME AND ADDRESS Transamerica Delaval Inc. Condenser Division Front Street, Florence, NJ 08518				2. ☒ DEVIATION ☐ WAIVER	
				3. ☐ MINOR ☐ MAJOR ☐ CRITICAL	
4. DESIGNATION FOR DEVIATION/WAIVER				5. BASE LINE AFFECTED	
6. MODEL/TYPE 4HM80 & 15D	7. MFR. CODE 5A619	8. SYS. DESIG. MIL-E-15465G	9. DEV/WAIVER NO. 511875-001	☐ FUNC-TIONAL ☐ ALLO-CATED ☐ PROD-UCT	10. OTHER SYSTEMS/CONFIGURATION ITEMS AFFECTED ☐ YES ☐ NO
11. SPECIFICATIONS AFFECTED-TEST PLAN				12. DRAWINGS AFFECTED	
13. MFR. CODE 5A619				14. SPEC./DOC. NO. MIL-E-15465G	
15. SYSTEM				16. PART NO. OR TYPE DESIG.	
17. TEST PLAN				18. LOT NO.	
19. TITLE OF DEVIATION/WAIVER GASKET MATERIAL SUBSTITUTION FOR ASBESTOS				20. CONTRACT NO. & LINE IT C8-03236-011-0010	
21. CONFIGURATION ITEM NOMENCLATURE AIR EJECTOR ASSEMBLIES				22. CLASSIFICATION OF DEFECT ☐ MINOR ☐ MAJOR ☐ CRITICAL	
23. NAME OF PART OR LOWEST ASSEMBLY AFFECTED GASKETS				24. DEFECT NO.	
25. PART NO. OR TYPE DESIG.				26. DEFECT NO.	
27. EFFECT ON COST/PRICE NONE				28. EFFECT ON DELIVERY SCHEDULE NONE	
29. EFFECT ON INTEGRATED LOGISTIC SUPPORT, INTERFACE, ETC. NONE				30. RECURRING DEVIATION/WAIVER ☒ YES ☐ NO	

23. DESCRIPTION OF DEVIATION/WAIVER
Suppliers of asbestos gasketing (because of health hazard) we find are dropping the manufacture of material and our sources are being reduced to point where we will be unable to obtain it. Air ejector specification MIL-E-15465G defines MIL-A-17472 which has been superseded by HH-P-46. Substantiating severity of problem we attach vendor correspondence we have received. Reference Walter B. Gallaher Company letter dated April 11, 1985 and J. Crane's letters dated March 6, 1985 and May 23, 1985. We have tried further to locate alternate sources but have not been successful. Specification changes have also been requested of NAVSEA via Standardization Document Improvement Proposal Form DD 1426 dtd April 17, 1985.

24. NEED FOR DEVIATION/WAIVER
We would like your approval to use either the J. Crane Style 2160 material defined in their May 23, 1985 letter or Blue-Gard (data bulletin attached) as an alternate for the compressed asbestos/military specification we currently are using. Should shipyard have a defined alternate they preferably would like to use, we would like the product details and specifications so we could procure and use as an alternate.

ENCLOSURES: 1. BLUE-GARD - Colt Industries Bulletin GSK 320
2. Standardization Document Improvement Proposal to NAVSEA
dtd 4/17/85 with attached vendor letters
3. John Crane letter dated May 23, 1985

TX0353

25. PRODUCTION EFFECTIVITY BY SERIAL NUMBER 511875 thru 511881	
26. SUBMITTING ACTIVITY AUTHORIZING SIGNATURE <i>Henry W. Brown</i>	TITLE Engineering Manager
27. APPROVAL/DISAPPROVAL	
☐ APPROVAL RECOMMENDED	☐ APPROVED ☐ DISAPPROVED
28. GOVERNMENT ACTIVITY	SIGNATURE DATE

DD FORM 1694

Figure - 2 Page 8

Colt Industries



June 15, 1988

Mr. T. P. Dooley
Imo Delaval Inc.
Delaval Condenser Division
Front Street
Florence, NJ 08518

Dear Mr. Dooley:

Thank you for your letter of 6-10-88 concerning gasketing recommendations for MIL-G-24696.

We believe that Garlock Styles 3200/3400 and 3000 will meet all of the requirements of the proposed specification and as soon as we have completed our testing, we shall advise you of our findings.

If you should have any further questions, please contact me.

Very truly yours,

GARLOCK INC

Agnes Potepan
Agnes Potepan
Manager, Sheet &
Gasket Engineering

AP:jmh

cc: RL Whittaker

*Physical
Properties*

*Gas
Functional test
Article 1 test program.*

*To H. Brown
F. Young
6/17/88
[Signature]*

Garlock Inc
Mechanical Packing Division
1666 Division Street
Palmyra, New York 14522-9355
315/597-4811
Telex No.: 249584
Panafax No.: 315/597-5558 or
315/597-3216

RECEIVED

JUN 20 1988

CONDENSER ENG'G

Called 7/19/90

*Recently
Letter Amendment
Certify to certain parts
Steam Test
Cold water tests
Finalize spec.*

TX0354

RECEIVED
JUN 1 1988
MILITARY DEPARTMENT