PLAINTIFF'S EXHIBIT
UC-365

UNION CARBIDE CORPORATION
Chemicals and Plastics — Bound Brook, New Jersey

To: See Attached Distribution

Date: September 26, 1973

Subject: Asbestos Replacement Program

EX FU 10/15

A special meeting of the Asbestos Replacement Committee was held on Wednesday, September 19 to review the consequences of the recent production grinding experiments. The programmed grinding tests on BMM-6935 did not produce an acceptable dispersion of the Calidria Asbestos. As the program is currently defined, this will cause an estimated 6 to 9 month delay to the overall completion while adequate grinding facilities are engineered and installed.

Our meeting objective was to decide on a course of action that would eliminate or minimize any delay to overall program completion.

We agreed to the following:

1. Production would undertake a project to define necessary equipment, costs and time to make modifications to grind the asbestos.

   Accountability - R. T. Marold — Complete - October 15, 1973

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2. The R & D reformulation program would continue using ground Calidria Asbestos available from our supplier. This will delay the R & D program approximately 30 days on the heat resistant program due to availability and delivery of ground asbestos.

   Accountability - C. F. Martino — Complete - March 1, 1974

We recognized that several factors have changed that make a reconsideration of replacing the Carey Asbestos appropriate at this time.

1. Rail rates have increased substantially. A truck type unloading facility is feasible and now economical and could be utilized for all bulk raw materials (currently this is a prime consideration in our modernization program).

2. Failure of our asbestos grinding experiment will result in added investment to handle the Calidria Asbestos.

3. Raw material costs for the new formulations will be more costly than the current Carey formulations.

4. Overall program implementation costs have been significantly above original estimates.

The Committee agreed that an economic analysis comparing our current program with bulk handling of Carey Asbestos was needed.

Accountability - R. T. Marold Complete - October 15, 1973

The following information will be provided for the analysis.

1. The R & D cost to complete Calidria replacement for heat resistant materials.

   Accountability - C. F. Martino Complete - September 27, 1973

2. Marketing cost to complete Calidria replacement for heat resistant materials.

   Accountability - P. B. Potter Complete - September 27, 1973

3. New product raw material costs based on Calidria replacement.

   Accountability - G. Ealer Complete - September 27, 1973

The results of the analysis and program recommendations will be reported in the October Molding Material Minutes.

R. T. Marold

C. F. Martino

P. B. Potter

RTM/CFM/PBP:eb

D I S T R I B U T I O N

Mr. E. Bell
Dr. W. L. Carrick
Mr. R. A. DeCoudres
Mr. G. E. Ealer
Mr. J. L. Goodson
Mr. K. J. Hutchinson - NY
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Mr. L. Madestau
Mr. R. A. Ream
Mr. G. R. Stringer
Mr. C. F. Tripp - NY