June 26, 1963

AIR MAIL

Refractory & Insulation Corporation
P. O. Box 790
Norristown, Pennsylvania

Attention: Mr. R. T. Hageman
Vice President-Sales

Subject: Insulation

Gentlemen:

On June 5 we wrote you requesting information and prices on your various products.

To date we have not heard from you and would like to have your prompt reply as we are starting to receive inquiries for your type of material and do not have the proper information with which to intelligently quote our customers prices.

May we hear from you quickly regarding this matter?

Very truly yours,

WALSH REFRACTORIES CORPORATION

C. W. Morgensier, Supervisor
Sales Department

CWM:es

CE0102897

CE/HI(F)34687

PLAINTIFF'S EXHIBIT
WV-012779

PLAINTIFF'S EXHIBIT
70265.00

Mr. Hallman 6/11/63

June 5, 1963

AIR MAIL

Refractory & Insulation Corporation
P. O. Box 190
Norristown, Pennsylvania

Attention: Mr. R. T. Hegeman
Vice President-Sales

Subject: Insulation

Gentlemen:

On December 5, 1963 you sent our Mr. Schweickhardt price list on your insulating materials, together with the prices that would apply f.o.b. Port Kennedy with truck delivery allowed to Vandalia, Missouri and advised these same prices would apply f.o.b. your Chicago warehouse.

We would like more literature and information on your R&I Insulating Block showing how many pieces are packed per carton, the number of square foot and board foot packed per carton, and the various standard sizes of the insulating block. Your price list, page 54, shows the thickness but does not show the width and length, nor the other information we have asked for above.

We plan on sending your company orders for block insulation but are unable to order in truckload quantities at this time, as we are not quite sure exactly what our customers will be ordering from time to time.

The prices you quoted us in your letter of December 5 are f.o.b. Port Kennedy with truckload delivery allowed to St. Louis, Missouri, and you advise the same prices would apply f.o.b. your Chicago warehouse. In the majority of cases we would ship the material direct from your Chicago warehouse to our customer instead of bringing into our St. Louis plant and then reship it. We would like to know if the same price would apply when shipped direct to our customer.

CE0102898

CE/HI(F)34688

As you know, we handle this material for resale and it is necessary that we realise a profit from the sale of your materials.

Please let us have your prompt reply, and if you have a representative in this area we would be very pleased to go into this matter further with him.

Very truly yours,

WALSH REFRACTORIES CORPORATION

C. W. Morgemeier, Supervisor
Sales Department

CWM:es

September 20, 1963
(Dict'd. 9/19/63)

Mr. R. T. Hegeman
Vice President, Sales
Refractory & Insulation Corportion
Port Kennedy, Pennsylvania

SUBJECT: Insulating Firebrick Inquiry for
Inland Steel Company

Dear Ray:

Relative to our long distance telephone conversation of today, herewith confirmation of the prices quoted you:

Based on the quantities you gave me over the telephone, which approximate 225,000, we will quote you a price of:

$174.50/M on 2000° Insulating Firebrick on 9 x 4-1/2 x 2-1/2" Straights, delivered Chicago, Illinois.

$189.50/M on 2000° Insulating Firebrick on 9 x 4-1/2 x 2-1/2" Arch or Wedge Shapes, delivered Chicago, Illinois.

These brick will be manufactured by the Johns-Manville Corp.; will be of the same quality as our WR brand of firebrick; however, will be packed in cartons marked with no brand name on them, merely designated with the degree brick and shape involved.

CE0102900

CE/HI (F) 34690

Delivery can be begun promptly after receipt of order on the 9" straights and shipment of the wedges and/or arches could begin ten days to two weeks after receipt of order.

These prices are firm and will not be subject to the increase which would become effective October 15, if order is placed before that time and if shipment is effected within a reasonable time after the placement of order.

Yours very truly,

WALSH REFRACTORIES CORPORATION

W. K. Schweickhardt, Vice President
Manager - Refractory Sales

WKS:mh
cc: C. W. Morgeneier

July 5, 1963

AIR MAIL

Refractory & Insulation Corporation
P. O. Box 790
Norristown, Pennsylvania

Attention: Mr. R. T. Hegeman
Vice President-Sales

Subject: Insulation

Gentlemen:

We thank you for your letter of July 2, together with literature and price list on the various products you manufacture.

I was sorry to learn you were in the hospital and sincerely trust that you are well on the road to recovery.

In reviewing the literature which we received today together with your price list, we do not find in the literature nor in the price list the number of insulating block you pack per carton, nor do we find the number of board foot, the number of square foot and weight per carton.

We would appreciate your rushing the above information to us as it is imperative we know the number of pieces packed per carton etc., and especially the weight per carton so we can figure our freight on any inquiries we may receive.

At the present time we are receiving inquiries for complete boiler jobs,and in many cases the customer would like us to quote on all of the insulating block and Stic-Tite that may be required on the furnace or boiler job. The quantity of material required would vary from time to time, as would the size of the insulating block, therefore, we are unable to order in truckload quantities until we can determine the sizes which are predominantly used by our different customers.

We have written our Chicago office to determine if they can advise us the amount of insulating block they may be able to move in their territory.

On any insulating block orders we receive it would be to our advantage to have you ship the block direct to our customer instead of shipping to our St. Louis plant via less than truckload freight and necessitate our adding on another freight charge from our plant to destination, which would price your insulating block out of the market.

We would, of course, require the price of $.226 per board foot f.o.b. Port Kennedy less truckload freight allowance of $1.72 cwt. to make the sale of your block attractive. The only difference would be that the block would go directly to our customer on certain jobs instead of being shipped to our plant and then rehandling with an added freight charge for our customer's account.

We would be pleased to hear from you regarding this matter.

Very truly yours,

WALSH REFRACTORIES CORPORATION

C. W. Morgeneier, Supervisor
Sales Department

CWM:es

C. R. Ebert

July 5, 1963

Insulation

Dear Chuck:

We are attaching copy of letter we have received from Refractory & Insulation Corporation dated July 2, together with two catalogs and two price lists.

We would like to know if you could determine what you believe you could sell in your territory in the way of insulating block so I could advise Mr. Hegeman the quantity and size of block that we could move out of their Chicago Warehouse.

It will be too expensive for us to bring the material in from Port Kennedy, Pennsylvania and pay the LTL freight less the $1.72 cwt. truckload freight allowance they will give us and then reship in a car to our customer.

I am endeavoring to work a deal with Refractory & Insulation at the present time to have them ship direct to our customers instead of bringing the materials into our plants and to allow $1.72 cwt. freight allowance with the difference of the LTL rate to destination for our ~~account~~. CUSTOMERS ACCT.

We do not have any definite figures in this office on the amount of insulating block we have sold in the past, as it has been very small item with us. We are unable to stock truckloads at our St. Louis or Vandalia plant at this time, as we do not know the size insulating block our customer's would be requiring. In many cases block insulation can be bought from local sources at as cheap or cheaper price than we could sell it.

I have written Refractory & Insulation Corporation for the number of pieces packed per carton, number of board foot and square foot and weight per carton, and as soon as I have this information I will forward it to you for your records.

Very truly yours,

C. W. Morgeneier

CWM:es
Enc's.

CE0102904

CE/HI (F) 34694

REFRACTORY & INSULATION CORPORATION

General Offices and Plant: PORT KENNEDY, PENNSYLVANIA
Telephone: 666-0450 Mailing Address: P.O. Box 790, Norristown, Pa.

July 2, 1963

Walsh Refractories
101 Ferry Street
St. Louis 7, Missouri

Attention: Mr. C. W. Morgeneier, Supvr.
Sales Department

Subject: Insulation

Centlemen:

Please accept my apologies for not replying to your letter of June 5 sooner. I entered the hospital on June 5 for a minor operation and then on my return about ten days later, on taking up the subject of your letter, i.e., insulation, we ran into a bit of a problem.

As you probably know, on June 5 our firm was purchased by Combustion Engineering and we are now a fully owned subsidiary. The problem involved is a matter of supply of insulating material. As you can imagine, Combustion intend to use a very large portion of our insulating facilities. However, I now feel certain we can fill your requirements. Of course you have never indicated what volume to anticipate and if you could give us some idea along these lines, it would be helpful.

Also with regard to the incident we had involving the Chicago Warehouse, I believe you sent an order in to our office which you expected to be shipped out of Chicago promptly to one of your customers in the area.

At the time I talked with Mr. Schweickhardt I told him we could supply insulating block from our Chicago Warehouse. However, the matter was more or less dropped back in November when we were discussing it and only recently became active. The situation in Chicago is as follows. We are not presently stocking block in the warehouse. However, we can easily make arrangements if you will give us some indication of what type of business you are soliciting so we can get some idea of what we should carry in stock for you. Off hand I would say your requirements would be mostly for our #12 Block. As you know, we also make a #18 and #19 Block.

QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE. ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS AND OTHER CONDITIONS BEYOND OUR CONTROL.

Stic-Tite and Super Finish are stocked in Chicago. However, Mineral Wool Fiber Blankets are not stocked anywhere. These are made up to order only. Generally speaking blankets can be shipped within a matter of days after receipt of an order.

The price of $0.226 bd.ft. which was quoted in our letter of December 5, 1962 was based on truckload shipment to St. Louis or shipment out of our Chicago Warehouse with transportation charges from Chicago Warehouse to destination to your account. In other words, we estimate the delivery charges from our Plant to the Chicago Warehouse would be about the same as the delivery charges to St. Louis. Consequently, the only difference is in the case of the Warehouse where we are agreeable to absorbing the warehouse charges.

As requested we are pleased to enclose several sets of price-sheets RA-113, RA-202, and Page 55 which lists the contents of cartons.

You will note on sales to large industrial LCL on #12 Block, the suggested price is list plus 1%. In other words, $0.303 bd.ft. and generally speaking, the competition in your area will probably deliver in LCL lots at this price. Consequently, the freight involved in our transaction becomes an important item. The following are truck rates from Port Kennedy to St. Louis, Missouri:

Less than 1,000#	$4.28 cwt.
1,000 to 2,000#	3.94 "
2,000 to 5,000#	3.72 "
Over 5,000#	3.47 "
Truckload	1.72 "

The price of $0.226 bd.ft. includes truckload delivery.

On a recent order the shipping weight came to about 1400 to 1500 lbs. which means the rate was $3.94 of which we allowed $1.72, leaving a balance of $2.22 cwt. to your account. The #12 Block ships at about 1-1/2# bd.ft. so that the extra freight you would have to pay would be about $0.033, making your delivered cost on this small shipment about $0.259 bd.ft. If you take this into your own plant and then reship, of course you have to absorb some more freight charges, which would have to come out of the difference between your delivered cost of $0.259 bd.ft. and the customer's price of $0.303 bd.ft. Obviously the best arrangement when the volume warrants is to take truckload deliveries which will give you a spread of about 33%.

Also enclosed for your information are several price sheets on Stic-Tite and Super Finish as well as Blankets, Castabloc, etc. If you have any further questions, please advise.

Very truly yours,

REFRACTORY & INSULATION CORPORATION

R. T. Hegeman
Vice President-Sales

RTH:mp
Enc.

P.S. - Castabloc is not written up in literature, but enclosed is some brief technical data. It is frequently used as a back fill pouring type of insulation that simply has to be mixed with water as you would a castable refractory. In many ways it is insulating block in castable form and the board foot price is considerably under the pre-formed block price. Your price is 10% off the carload price in any quantity.

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