METALS DIVISION - "CALIDRIA" ASBESTOS

CUSTOMER CALL REPORT

CUSTOMER & LOCATION: International Building Products Inc.
5300 Tchoupitoulas St.
New Orleans, Louisiana 70115

INDUSTRY CLASIFICATION: Asbestos Cement Sheets

SALESMAN: R. E. Byrne & T. P. Norris REGION: WESTERN DATE OF CALL: April 6, 1982

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

/ / MSDS

/ / Health & OSHA Information Blue Book

/ / Dust Count Report

/ / Other, specify below

PERSONS INTERVIEWED: Gerald N. vonDohlen, President
Ray A. Plauche, V.P. Mfg.

CALL OBJECTIVE:

Explore potential for Calidria Products.

RESULTS OF CALL:

Gene Prescott, Chairman of the Board, contacted the Corporate Acquisitions & Divestitures Department in early February, 1982 with an interest in purchasing the King City, California plant (letter attached). Based upon information supplied in the letter, the writer contacted Mr. Prescott to explore areas of mutual interest.

Their interest originated with Coalinga Fiber samples provided them by Atlas Asbestos and analyzed for potential applications in asbestos cement sheet. The test work was completed at the Ontario Research Foundation, Ontario, Canada, and indicated a postive contribution in strengthening the sheet. (Research data attached)

Heretofore it was assumed that the Coalinga fiber had two serious drawbacks -- short fiber and poor drainage characteristics. The Canadian Groups 4 to 6 were accepted and used to provide strength in the sheet and as the fiber length shortened increasing amounts of Amosite asbestos were used to speed up the drainage. However, recent technology has proved that fiber lengths as short as 7D with proper drainage aids such as Sodium Silicate/Tamol can be utilized effectively and still meet the critical requirement of Modulus of Rupture. To confirm this fact the Ontario Research Foundation evaluation of the Coalinga Fiber indicated that although the fiber was short by comparison to Canadian grades its strength

characteristics equaled Groups 4 to 6 depending upon the method and length of processing. The traditional mechanical dry method damaged the flakes and failed to separate them into individual fiber bundles or fibers. Significant and unexpected sheet strength were observed using the wet method of processing on apparent short fiber bundles. Thus, the interest of International Building Products Co. is in our wet processing method as a means of utilizing shorter fiber at lower cost but not sacrificing sheet strength. It should be commented on here that the asbestos samples provided by Atlas Asbestos were not from their mine site, as they were reported to be, but from a location 10-12 miles from the Atlas deposit. The samples have the appearance of JIG-FLAKE; compacted fiber bundles that act like long fibers. At present we do not know the location of the deposit but expect this information soon.

Our meeting today included a presentation of the "Calidria" story and a tour of their production facilities. At present they are evaluating asbestos samples from South Africa, Mexico and all the major Canadian producers. Their intention is to purchase the shortest fiber, consistent with approved sheet strength, at the lowest cost. Mr. vonDehlen indicated that J. M. increased their prices 8% in January, 1982, but because of heavy inventories at all Canadian plants, discounts of 15% from the 1981 price list are common.

They are using approximately 6,000/8,000 tons of asbestos fiber/year and of that amount 60% is J. M. Paperbestos No. 5 and 7D. Their success in utilizing the shorter grade 7 is predicated on the Bauer-McNett test results of 70-80% -200. Because of the strength of the U. S. dollar versus the Canadian dollar (currently discounted at 15%), and discounts of 15% from the 1981 Canadian price list, delivered prices into New Orlenas for the above grades are from $269.00 to $289.00/ton.

We are providing bag samples of SG-130 and SG-144. It is thought that the coarse grinds of the two grades will provide similar reinforcing fiber bundles as the Atlas AZ 8. International Building Products will run the Bauer-McNett test to determine our results of the -200. Based upon these results we may be required to originate a new grade with a coarser grind than SG-144 or attempt to process the AZ 8 type material through the King City plant.

An ideal situation for UCC would be to ship bulk cars of SG-104 and through utilization of a Repulper, IBP could grind the pellets as coarse or fine as they require. Delivered cost of SG-104 (bulk cars) would be around $208.00/ton.

The substitution of the longer Canadian fiber with our "Calidria" would not be unique to IBP. Years ago in the production of Mineral Fiberboard the strength and hardness of the board was achieved by the addition of Canadian 5R or 5K. That "State of the Art" existed until the King City plant was formally opened for business. Researchers from the Conwed Corporation, Cloquet, Minnesota, were sampled with HPO and eventually wrote a patent written around our deposit and wet method of processing asbestos fiber that proved the colloidal dimensions of HPO would provide the same strength characteristics as the longer 5R-5K. For several years Conwed Corp. purchased 120 ton/month of HPO and reformulated to asbestos-free mineral board only after the OSHA regulations were in effect.

In Japan, two customers have been granted licenses from Certainteed Corp. for extruding asbestos/cement pipe. In this application SG-100 replaced Carey 7 MS-I. This is non-pressure pipe used for such applications as house to sewer connections, etc., and is not to be confused with A/C pipe produced on a mandrel and utilizing Groups 4 and 5 for an exceptionally high strength high-pressure pipe used in commercial applications.

In summary it should be commented that a serious inquiry into purchasing our King City operation will give us our first and probably most complete evaluation into a market area that offers us enormous potential if successful.

FOLLOW-UP ACTION REQUIRED:

T.P.N.

COPIES TO: WCT; GML; REB; JEW; GLD; KC-File; NF-File

INTERNATIONAL BUILDING PRODUCTS, INC.
5300 TCHOUPITOULAS STREET • NEW ORLEANS, LOUISIANA 70115
PHONE: 504-899-8261

500-526-7986

February 11, 1982

Mr. H. Soisson
Director of Acquisitions
and Divestitures
Union Carbide Corporation
270 Park Avenue
New York, New York 10017

Dear Mr. Soisson:

As per our phone conversation, I'm writing you to introduce ourselves and to express our interest in acquiring one of your operations.

In March of 1981, Mr. Jerry von Dohlen and I acquired a Division of National Gypsum Company, which produces asbestos-cement flat sheet products. We now are the largest producer of asbestos-cement flat sheet products in the United States and Canada.

The business has been successful for us even in these times of greatly reduced building products sales. The annual sales volume is approximately $20 Million. We employ approximately 200 people and we use approximately 6,000/8,000 tons of asbestos fiber each year. Obviously, before acquiring an asbestos products company, we investigated the health risks and the insurability of such risks. Our conviction that asbestos did not represent an unacceptable risk, and that we could make money in this business has turned out to be correct.

The success of our existing enterprise has caused us to look to vertical integration, specifically, acquisition of a fiber mine. We note that you produce asbestos fibers in the Colinga Region of California using a wet milling process. It is a small operation which would fit, at least from our viewpoint, well with ourselves although we lack specifics to the extent to which the fiber can be used in asbestos-cement. Our preliminary research with Ontario Research Foundation on the Colinga fibers for use in asbestos-cement have been encouraging.

In terms of some background on myself-I control several corporate entities-which include IBP (the asbestos-cement producer in New Orleans), the largest Cold Storage Warehouse facility group in the New York Metropolitan area, an electronics distribution company also in the New York Metropolitan area, a folding carton manufacturing company in the Mid-West, a Christmas light manufacturing and distribution company in the Mid-West, and a 400 room Hotel in Clearwater Beach, Florida.

Please feel free to contact Mr. Jim Redfern, Senior Vice President or Mr. George Melcher (our Loan Officer) at Fidelity Union Bank Corporation here in New Jersey (Phone Number 201-430-4556).

In summary, we would like to begin to vertically integrate and, therefore, are interested in discussing the acquisition of your asbestos fiber mine in California. Look forward to hearing from you soon.

Very truly yours,

INTERNATIONAL BUILDING PRODUCTS, INC.

Gene Prescott
Chairman of the Board

GP/caq
cc: Mr. Robert Lichtman

P. S. - You can contact me at my Cold Storage business - National Cold Storage Company, Inc. - 212-858-6800. I'll be returning from a skiing trip in Europe during the first week of March.

ONTARIO RESEARCH FOUNDATION

SHERIDAN PARK RESEARCH COMMUNITY

MISSISSAUGA, ONTARIO, CANADA L5K 1B3 • (416) 822-4111 • TELEX 06-982311

DEPARTMENT OF MATERIALS CHEMISTRY

Non-Metallic Minerals Section

EVALUATION OF ATLAS FIBRE AZ-8

Asbestos Services
Report No. AS 403-77

R. A. Kuntze
April 12, 1977

for

Atlas Asbestos Company
Box 805
Coalinga, California 93210
U.S.A.

Attention: Mr. Irving F. Moore
President

1. INTRODUCTION

A meeting between Mr. I. F. Moore, President of Atlas Asbestos, and Dr. R. A. Kuntze, was held on January 7, 1977 at Coalinga, California, to discuss some of the properties of Atlas Asbestos fibres. Specifically, Mr. I. F. Moore was concerned with the possibility of recovering a longer fibre than presently produced by Atlas Asbestos for the floor tile industry, i.e. a fibre in the order of a QAMA grade 7R, 7M or 7D as opposed to 7T.

As a result of this meeting, a sample of Atlas AZ-8 (corresponding to an 8 mesh screen oversize) was sent to ORF for a preliminary evaluation. ORF was also requested to make suggestions as to the possible uses of such a product, i.e. as filter aid, for plastic reinforcement, etc.

2. INITIAL OBSERVATIONS

In contrast to conventional chrysotile asbestos fibre, the sample of Atlas AZ-8 consists of flake-like particles resembling small pieces of tissue paper, rather than fibre bundles (see Fig. 1a). These flakes appear to be composed of tightly matted chrysotile fibres that are not easily separated by the mechanical means normally used to fiberize conventional asbestos. Because of this characteristic, it is difficult to establish the length and diameter distributions of the individual fibres, i.e. to assign a grade classification. In fact, the resistance of the flakes to fiberizing or dispersing presented the greatest difficulties for the attempts to determine the properties of this material.

3. DRY FIBERIZATION EXPERIMENTS

The usual procedure of evaluating crude samples of asbestos fibre consists of applying mechanical action under dry conditions for increasing length of time. This is intended to separate or open the crude fibre bundles which is necessary in practice for most applications. After each time interval, i.e. at each opening stage, a wet classifier test (Bauer-McNett or T&N Classifier) is carried out. In doing so, an attempt is made to establish the approximate grade of the fibre sample, in addition to characterizing the sample in terms of response to mechanical action.

As shown in Table I, tests on Atlas AZ-8 produce data that indicate an approximate grade of 4T to 5R. However, microscopic examination also showed that mechanical action resulted in smaller flakes but did not accomplish the separation of these flakes into individual fibre bundles or fibres.

At this stage of the program, it became obvious that an effective method of fiberizing had to be found prior to continuing with the evaluation of the sample.

4. WET FIBERIZING EXPERIMENTS

After a number of trial experiments, it appeared that opening in a wet medium was the most suitable method from an experimental point of view. Although wet opening is not a practical pre-treatment for fibre intended for plastic reinforcement, it may be an acceptable method for asbestos-cement fibre which are wet-treated in some cases, e.g. hydropulper.

As shown in Table II, wet opening has a much greater effect on fiberizing AZ-8, requiring only seconds instead of minutes. Again, as the fibre is opened, its grade decreases from 4J to 7M. It should be stressed that this may be only an apparent effect since grades are based on classifier data usually obtained with a fibrous material. In contrast, AZ-8 consists of flakes even after considerable fiberization (see Figs. 1a and 1b).

5. ASBESTOS-CEMENT REINFORCEMENT

An attempt was made to correlate the assignment of an approximate grade with the reinforcing value of the AZ-8 fibre in asbestos-cement. However, it was found that without fiberization, it was impossible to prepare acceptable asbestos-cement specimens. The fibre flakes did not disperse well in the cement slurry and consequently the resulting specimens were not homogeneous.

Considerably better results were obtained after dry or wet opening of the fibre. The results shown in Table III indicate that after dry opening,

a reinforcing value equivalent to that of a 6D is obtained, although the Bauer-McNett classification indicates a 5R+ grade. The reverse is found for wet opened fibre which produces a reinforcing value equivalent to that of a 4D, in spite of a 5R grading by Bauer-McNett classification.

6. PLASTIC REINFORCEMENT

Two attempts were made to evaluate the reinforcing characteristic of AZ-8 in plastics such as High Density Polyethylene (HDP). The first attempt, using unopened fibre was largely unsuccessful because the relatively large flakes did not separate and disperse in the plastic even after 30 minutes' mixing by roller mill.

In the second attempt, fibre was used that had been dry opened for 5 minutes. The size of the flakes was greatly reduced and the fibre dispersed quite well after only 20 minutes' mixing. Hence, it is believed that AZ-8 fibre would be suitable for plastic reinforcement, provided some pre-treatment is used and mixing is carried out using equipment with a higher shear force such as the Banbury Mixer.

7. CONCLUSIONS

The results of this preliminary examination show that Atlas AZ-8 has unusual properties because of its flake-like composition and the resistance of these flakes to "fiberization". The flakes seem to consist of individual fibres that are matted and bonded together. Hence, for all practical purposes the flakes act like long fibres. This hypothesis may explain the relatively high strength contribution of AZ-8 when tested in asbestos-cement. In this connection, it is appropriate to state that the reinforcing value of AZ-8, under certain conditions, is"equivalent to that of a specific QAMA grade asbestos", such as 6D, 5R or even 4D. However, it would not be advisable to generally assign a grade designation to AZ-8 because it responds differently to tests that are designed to evaluate conventional chrysotile asbestos, i.e. fibrous material.

If a proper pre-treatment method is used, AZ-8 may have a very high asbestos-cement reinforcing value. Even after a relatively ineffective pre-treatment, AZ-8 appears to have a reinforcing value comparable to that of a 6D.

For the use of AZ-8 as a reinforcing agent for plastics, a proper pre-treatment is absolutely necessary to obtain satisfactory dispersion. Again, if this is done, the behaviour of the material should be comparable to that of asbestos with a relatively long fibre distribution, e.g. 6D to 5R.

Because of the flake-like appearance of AZ-8 and its relatively poor filtration characteristics observed during asbestos-cement tests, it is doubtful that this material can be used as filter aid.

RAK:pmt

R. A. Kuntze
Vice President - Applied Science

TABLE I

BAUER-McNETT AND T&N CLASSIFIER RESULTS FOR DRY OPENED* ATLAS ASBESTOS AZ-8 FIBRE

T&N Classifier

Sample	Opening Time (min)	T&N Classifier (%) +7	+14	+25	+50	+200	-200	Approx. Grade
a	0	23.8	67.8	1.1	0.4	1.3	5.6	-
b	2	5.4	16.9	18.3	25.8	20.5	13.1	4T
c	3	0.1	5.8	17.6	31.8	28.0	16.7	5R
d	4	0.3	4.1	12.5	31.4	33.0	18.7	5R**
e	5	0.7	3.7	9.5	29.9	35.9	20.3	6D**

**Low in -200 mesh in comparison with conventional grades

Bauer-McNett

Sample	Opening Time (min)	Bauer-McNett (%) +4	+14	Acc. +14	+35	+200	-200	Approx. Grade
a	0	19.4	65.3	84.7	2.6	2.2	10.5	-
b	2	5.5	27.9	33.4	14.3	34.8	17.5	4T
e	5	6.8	16.4	23.4	21.1	31.1	24.7	5R+

*Waring Blendor

TABLE II

BAUER-McNETT RESULTS FOR THE WET OPENED* ATLAS ASBESTOS FIBRE

Sample	Opening Time (sec)	Bauer-McNett (%)						Approx. Grade
		+4	+14	Acc. +14	+35	+200	-200	
1	0	19.4	65.3	84.7	2.6	2.2	10.5	-
2	15	7.9	43.3	51.2	12.8	11.7	24.3	4J
3	30	1.1	15.6	16.7	17.1	28.6	37.6	5R
4	45	0.0	3.1	3.1	9.8	33.7	53.4	6D
5	60	0.2	3.3	3.5	9.4	33.5	53.6	6D
6	90	0.1	0.1	0.2	1.1	23.9	74.6	7M

*2.0 g samples in 150 ml H_2O

TABLE III

A/C RESULTS FOR ATLAS ASBESTOS AZ-8 FIBRE

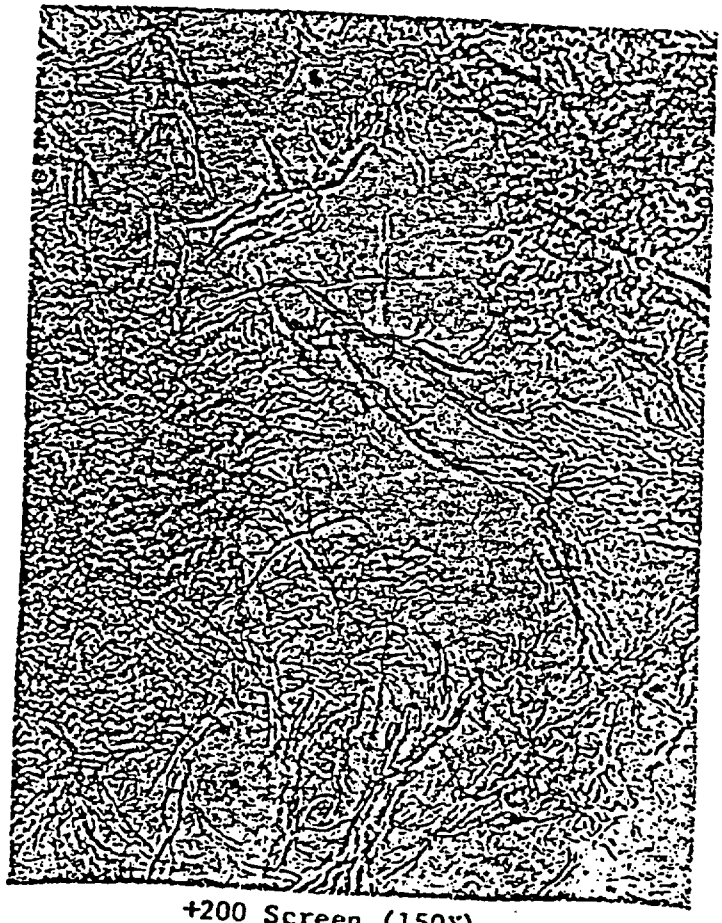
Sample	Opening	Filtration Rate (ml/sec)	Water Retention (%)	Density (g/cm^3)	Breaking Load (lb)	Modulus of Rupture (kg/cm^2) MR_T	Modulus of Rupture (kg/cm^2) MR_A	Approx. Grade
1	Dry, 2 minutes in Waring Blendor	5.2	18.2	1.60	178.0	292	292	6D
2	Dry, 5 minutes in Waring Blendor	5.3	19.0	1.63	187.5	314	304	6D
3	Wet, (lime-gypsum water) 30 seconds in Waring Blendor	3.1	15.7	1.75	304.0	593	490	4D

Figure 1b

+35 Screen (25X)

+35 Screen (150X)

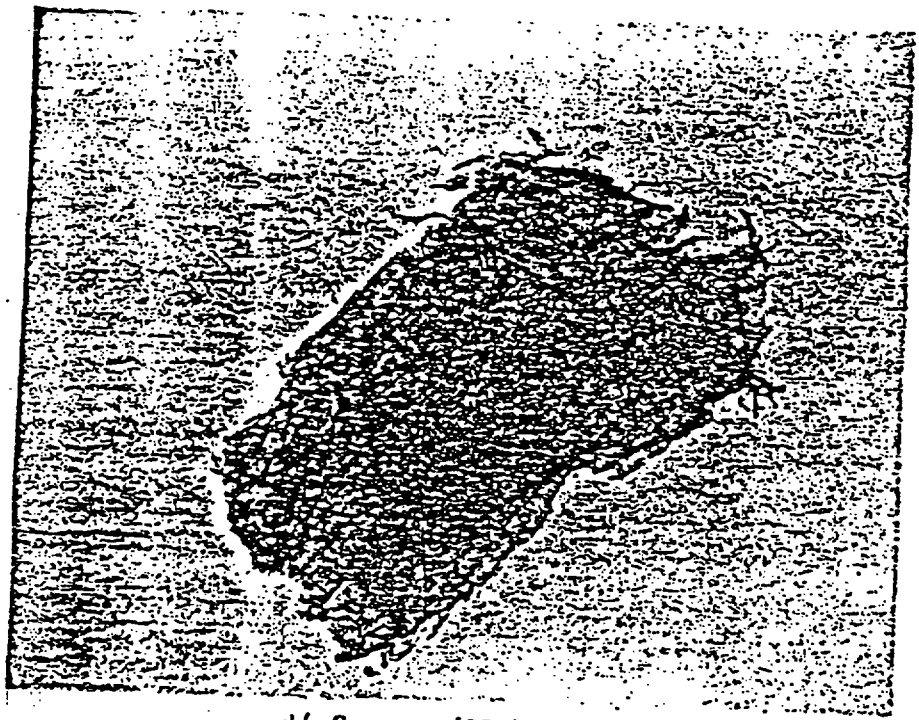
+200 Screen (25X)



+200 Screen (150X)

Bauer-McNett Fractions of Atlas AZ-8 Fibre Wet Opened in Waring Blendor

Figure 1a



+4 Screen (25X)

+14 Screen (25X)

ONTARIO RESEARCH FOUNDATION

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DEPARTMENT OF MATERIALS CHEMISTRY

Non-metallic Minerals Section

ASBESTOS-CEMENT PROPERTIES OF WET ROD-MILLED ATLAS ASBESTOS

Non-metallic Minerals Services
Report No. NMS 459-79-1

S. J. Thorndyke
April 17, 1979

for

Atlas Asbestos Company
Box 805
Coalinga, Calif. 93210
U.S.A.

Attention: Mr. Irving F. Moore
President

INTRODUCTION

A sample of raw Atlas asbestos fibre was received from Beloit for wet rod milling followed by asbestos-cement strength test evaluation.

EXPERIMENTAL

Rod milling was done in a 25 cm x 19 cm diameter mill with a 5 kg rod charge and a speed of 64 rpm. Pulp density was 15% using 20g of fibre in saturated lime-gypsum water. Grinding times of 5, 10, 15, 20, 25 and 30 min. were evaluated.

The ORF version of the asbestos-cement relative strength test was run on each batch of ground fibre using 12½% fibre concentration. Unground fibre was also included.

RESULTS AND DISCUSSION

The asbestos-cement properties are summarized in Table I.

The average Modulus of Rupture and Drainage Rate for the ground fibre are 286 kg/cm^2 and 2.8 ml/s respectively; these values are independent of the grinding time within the range tested but are considerably different from those for unground material (149 kg/cm^2 and 7.7 ml/s).

CONCLUSIONS

Wet rod-milled Atlas fibre has an asbestos cement relative strength of 286 kg/cm^2, equivalent to a Quebec 6D fibre, but a very low drainage rate of 2.8 ml/s.

S. J. Thorndyke
Associate Research Scientist
Department of Materials Chemistry

TABLE 1

ASBESTOS-CEMENT PROPERTIES OF ATLAS FIBRE

	Asbestos-Cement Properties					
Grinding Time (min)	Drainage Rate (ml/s)	Water Retention (%)	Average Thickness (mm)	Average Load (lb)	Average Density (g/cm^3)	Modulus of Rupture (kg/cm^2)
0	7.7	14.6	5.60	80	1.61	149
5	3.2	24.0	6.05	200	1.64	309
10	2.3	31.3	6.26	206	1.66	289
15	2.9	32.8	6.39	198	1.61	282
20	3.0	33.6	6.38	172	1.66	231
25	2.9	27.8	6.11	198	1.64	299
30	2.4	41.9	6.68	216	1.66	304

(1 kg/cm^2 = 0.098 MPa)

ONTARIO RESEARCH FOUNDATION

SHERIDAN PARK RESEARCH COMMUNITY

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DEPARTMENT OF MATERIALS CHEMISTRY

Non-metallic Minerals Section

ASBESTOS-CEMENT PROPERTIES OF MILLED ATLAS ASBESTOS

Non-metallic Minerals Services
Report No. NMS 459-79-2

S. J. Thorndyke
June 22, 1979

for

Atlas Asbestos Company
Box 805
Coalinga, Calif. 93210
U.S.A.

Attention: Mr. Irving F. Moore
President

INTRODUCTION

A sample of Atlas asbestos mill fibre and four fibrized samples of the same material were received for rod milling and asbestos-cement strength test evaluation. The fibrized samples had been produced under different conditions of fibrizer plate-separation and number of passes. The samples were labelled FEED, #1, #2, #3 and #4.

EXPERIMENTAL

The fibrized samples were used for the ORF version of the asbestos-cement relative strength test using 12½% fibre concentration. The fibre which gave the highest strength (actually #2) was retested with a rod milling stage before the strength test using either a 15 min. wet milling or 7½ min. dry milling plus 7½ min. wet milling.

Rod milling was done in a 25 cm x 19 cm diameter mill with a 5 kg rod change, 20 g of fibre, and a speed of 64 rpm. For wet milling, a pulp density of 15% in saturated lime-gypsum water was used.

Rod milling and strength tests were also carried out on the feed sample using either a 15 min. dry milling, 15 min. wet milling or 7½ min. dry milling plus 7½ min. wet milling.

RESULTS AND DISCUSSION

The asbestos-cement properties are summarized in Table I.

None of the as-received fibrized samples gave high MR_A values but after wet milling the MR_A increased to 367 kg/cm^2. This is much better than the strength of a Quebec 6D fibre and is approaching the value for a 5R.

Tests with the milled feed indicated a maximum MR_A of 340 kg/cm^2.

Except for the as-received fibrized samples, the drainage rates were all very low, averaging about 2.2 ml/s.

CONCLUSIONS

The highest MR_A obtained in a limited number of tests with the latest series of Atlas fibres was 367 kg/cm^2. This is similar to a Quebec grade 5R fibre and was obtained after fibrizing and then wet rod-milling for 15 min. The corresponding drainage rate was only 2.7 ml/s.

None of the samples which had been fibrized without further milling gave strength results equivalent to any of the milled fibres.

S. J. Thorndyke
Associate Research Scientist

D. J. Pinchin
Associate Research Scientist

pmt

TABLE I

ASBESTOS-CEMENT PROPERTIES OF ATLAS FIBRE

Sample	Grind	Asbestos-Cement Properties*					
		Drainage Rate (ml/s)	Water Retention (%)	Average Thickness (mm)	Average Load (lb)	Average Density (g/cm^3)	Modulus of Rupture (kg/cm^2)
#1 Fibrized	As-received	6.26	20.1	5.89	111	1.59	191
#2 Fibrized	As-received	5.50	22.0	6.07	130	1.54	223
#3 Fibrized	As-received	6.22	22.0	6.06	120	1.56	201
#4 Fibrized	As-received	6.26	20.2	5.94	99	1.57	172
#2 Fibrized	15 min. wet	2.71	21.1	5.79	223	1.66	367
#2 Fibrized	7½ min. dry +7½ min. wet	1.69	20.6	5.69	199	1.68	330
Feed	15 min. dry	2.09	18.7	5.51	186	1.72	315
**Feed	7½ min. dry +7½ min. wet	1.82	20.7	5.70	205	1.68	340
Feed	15 min. wet	2.76	24.4	6.09	195	1.62	305

* Averaged for two plaques per sample

** Four plaques

CUSTOMER & LOCATION: International Building Products

5300 Tchoupitoulas St., New Orleans, LA 70115

INDUSTRY CLASIFICATION: Asbestos Cement Sheet

SALESMAN: G. L. Dickson & T. P. Norris REGION: WESTERN DATE OF CALL: 9/28/82

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

/ / MSDS

/ / Health & OSHA Information Blue Book

/ / Dust Count Report

/ / Other, specify below

PERSONS INTERVIEWED: Gerald N. von Duhlen, President
Ray A. Plauche, Vice President Mfg.
Mike Homeiak, Technical Manager.

CALL OBJECTIVE: Review Ontario Research Foundation data and request production trial.

RESULTS OF CALL: Six "CALIDRIA" samples were sent to Ontario Research Foundation, Ontario, Canada, for evaluation and comparison against Atlas Asbestos samples that had been tested in 1979. The results of the Atlas evaluation indicated that the flake-like samples submitted had a positive reinforcing effect in Asbestos Cement applications. Because of the Atlas results it was decided that we run similar tests to determine our deposit's potential in that application.

Although the analysis of all test data had not been received from Ontario Research Foundation, results of the Bauer-McNett were obtained in a telephone discussion and several paralleled the Atlas material. Of particular interest to International Building Products were the results of Standard Grade Filter Cake. That test result indicated that on a QAMA basis it was equal to a Canadian grade 6. Because of that favorable result I.B.P. requested a 2 ton sample of Filter Cake for a production trial. In addition, it appears they have the necessary equipment to open the pellets, and so a one ton sample of SG103-7 was also requested. The trial will be scheduled 2 weeks after they received the samples. This time factor would put it around November 8th. We plan to attend the trial as the results will be the determining factor on whether or not we can market our fibers into Asbestos/Cement sheet applications.

A more lengthy report will be issued once the completed research project is received from Onatrio Research Foundation.

FOLLOW-UP ACTION REQUIRED: Enter sample order request and stay on top of project.

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NF PERMANENT FILE / /

INTERNATIONAL BUILDING PRODUCTS, INC.
5300 TCHOUPITOULAS STREET • NEW ORLEANS, LOUISIANA 70115
PHONE: 504-899-8261

February 11, 1982

Mr. H. Soisson
Director of Acquisitions
and Divestitures
Union Carbide Corporation
270 Park Avenue
New York, New York 10017

Dear Mr. Soisson:

As per our phone conversation, I'm writing you to introduce ourselves and to express our interest in acquiring one of your operations.

In March of 1981, Mr. Jerry von Dohlen and I acquired a Division of National Gypsum Company, which produces asbestos-cement flat sheet products. We now are the largest producer of asbestos-cement flat sheet products in the United States and Canada.

The business has been successful for us even in these times of greatly reduced building products sales. The annual sales volume is approximately $20 Million. We employ approximately 200 people and we use approximately 6,000/8,000 tons of asbestos fiber each year. Obviously, before acquiring an asbestos products company, we investigated the health risks and the insurability of such risks. Our conviction that asbestos did not represent an unacceptable risk, and that we could make money in this business has turned out to be correct.

The success of our existing enterprise has caused us to look to vertical integration, specifically, acquisition of a fiber mine. We note that you produce asbestos fibers in the Colinga Region of California using a wet milling process. It is a small operation which would fit, at least from our viewpoint, well with ourselves although we lack specifics to the extent to which the fiber can be used in asbestos-cement. Our preliminary research with Ontario Research Foundation on the Colinga fibers for use in asbestos-cement have been encouraging.

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Please feel free to contact Mr. Jim Redfern, Senior Vice President or Mr. George Melcher (our Loan Officer) at Fidelity Union Bank Corporation here in New Jersey (Phone Number 201-430-4556).

In summary, we would like to begin to vertically integrate and, therefore, are interested in discussing the acquisition of your asbestos fiber mine in California. Look forward to hearing from you soon.

Very truly yours,

INTERNATIONAL BUILDING PRODUCTS, INC.

Gene Prescott
Chairman of the Board

GP/caq
cc: Mr. Robert Lichtman

P. S. - You can contact me at my Cold Storage business - National Cold Storage Company, Inc. - 212-858-6800. I'll be returning from a skiing trip in Europe during the first week of March.