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from Libby

ZONOLITE COMPANY

INTER-OFFICE CORRESPONDENCE File A 141-10-025

Date April 30, 1962

Mr. J. A. Kalley

Home Office

Mr. W. E. Spangler

Home Office

Asbestos Shorts from Libby

Referring to our recent conversation regarding the above, attached hereto is a statement of carload freight rates on asbestos shorts currently in effect from Libby, Montana, also comparative rates on the same material from Eastern Canada to the same destinations. We also show for comparative purposes our current carload rates on crode vermiculite from Libby. The eastbound rates we show from Libby on asbestos shorts are those currently published from the Pacific Coast, both the North Coast and the South Coast. In other words we are making Libby intermediate.

There are no existing carload commodity rates on asbestos shorts from Libby to the California and Arizona territories. Neither can I find any northbound rates from either California or Arizona to the Montana territory. Assuming you are interested in possible toploading of our asbestos at Libby for California Zonolite plants, I am writing the Great Northern Railway and inquiring of them as to what they can offer us in the way of a basis for making carload rates on asbestos shorts from Libby to the California and Arizona markets.

An analysis of the attached rate statement shows that the Eastern Canadian producers have a distinct advantage rate-wise to the territory Chicago, Milwaukee, St. Louis and East thereof. At the Twin Cities the rates are within 20 cents per ton of equalizing. At Little Rock, Arkansas and Denver, Colorado, Libby would have an advantage.

At points in Southern Territory, Eastern Canada has an advantage ranging from about \$2.00 to \$9.00 per ton.

It occurs to me that even though the eastbound rates on asbestos shorts from Libby are currently higher than those in effect from Eastern Canada, we would have an advantage to the extent that our current rates would apply on whatever tonnage we concluded to topload. From the Eastern Canada origin a customer is required to take a carload of 100,000 pounds and from an inventory standpoint our situation at Libby may have some advantages.

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Mr. J. A. Kolley

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You mentioned that it would be desirable to endeavor to secure rates on asbestos shorts from Libby at the same level as our rates on crude vermiculite. The attached rate statement shows quite plainly that if we endeavored to secure the vermiculite level on asbestos shorts from Libby, we would undoubtedly precipitate some vigorous complaints by the Eastern Canadian producers for related rates from their sources. The tremendous volume of asbestos moving from Eastern Canada will probably be a most effective barrier against our ever securing on asbestos shorts from Libby eastbound a level of rates anywhere near that which obtains on our crude vermiculite.

The foregoing is in the nature of a general outline of what I have been able to develop on the asbestos situation at Libby and I will continue to keep you advised of developments which take place.

WWS:ML
Enc.

W. J. S.

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VARIOUS RATES ON ASBESTOS SHORTS WITH COMPARISONS

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TO	Rates In Cents Per Ton			
	From Libby, Montana			From Danville, Que.
	Asbestos Shorts	Crude Verm.	Verm, Agg. Grade	Asbestos Shorts
North Billerica	3810	1904	1543	970
Utica	3810	1904	1543	1110
Trenton	3810	1904	1543	1110
Muirkirk	3810	1904	1543	1490
Ellwood City	3450	1739	1394	1110
Dearborn	3130	1616	1309	1150
Wilder	2720	1616	1309	1150
Chicago	2340	1251	1149	1150
Milwaukee	2340	1251	1149	1150
St. Paul - Mpls.	2340	1047	1047	2280
Omaha	2340	1155	1155	2090
Kansas City	2340	1472	1183	2090
St. Louis	2340	1472	1183	1370
Little Rock	2340	1616	1272	2740
Denver	2340	1019	1019	2920
Atlanta	2720	1866	1866	2280
Travelers Rest	3120	1866	1866	2280
Nashville	2720	1616	1616	2400
Tampa	3420	2011	2011	2980
Jacksonville	3120	1866	1866	2980
High Point	3120	1866	1866	2980

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