PLAINTIFF'S EXHIBIT

UC-4938

METALS DIVISION - CALIDRIA ASBESTOS

CUSTOMER CALL REPORT

CUSTOMER & LOCATION GAF Corporation
Wayne, NJ

INDUSTRY CLASSIFICATION Floor Tile

SALESMAN John L. Myers
w/ G. L. Dickson

REGION

DATE OF CALL 7/31/79

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

- [ ] MSDS
- [ ] Health & OSHA Information Blue Book
- [ ] Dust Count Report
- [ ] Other, specify below

PERSONS INTERVIEWED:

G. Weierstall - Director of Purchasing
B. Jast - Purchasing Manager

CALL OBJECTIVE:

Determine GAF's intentions regarding asbestos purchases for balance of 1979 and future, and to advise them we no longer feel obligated to supply them 300 TPM at Long Beach if they need it.

RESULTS OF CALL: BACKGROUND

In 1978 we supplied Long Beach with 2746 tons and Vails Gate with 248 tons, per attached summary. We supplied LB all their requirements for part of the year because Atlas was shut down. In the last half of 1978, GAF financially assisted Atlas to resume operations and agreed to purchase essentially all their requirements (10-12,000 TPY) from them. GAF told us in late 1978 that they would try to purchase 1/2 of LB requirements (150 TPM) from us and we said we would try to supply all LB requirements (300 TPM) if Atlas faltered. Through July of this year we have shipped 364 tons to LB, an average of 52 TPM, and none to Vails Gate. Our price for bagged product is $118/T and Atlas price is thought to be $85-90/T. GAF continues to insist that they are not meeting their Atlas committment due to low tile production at both plants and that is why they have bought so little from us.

GAF's first question was whether or not we could supply all their requirements, ~12,000 TPY. We said no; but, as of now, we could supply 300 TPM to LB and 200-300 TPM to Vails Gate. We added that we could not "reserve" any product for them and we were attempting to sell out the plant to others. We got the feeling that Atlas was "in trouble" but GAF would not confirm this. We noted that their competitors were buying from us, at a price penalty, because we supplied them well during the Atlas shutdown and Canadian strike. GAF's main concern is that if they buy from us, Atlas will shut down and we will raise prices indiscriminately. We tried to explain that our other customers would prevent us from "holding

(OVER)

FOLLOW-UP ACTION REQUIRED:

(See reverse side)

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G. Heggland

NF PERMANENT FILE [ ]

dal 8/7/79

them up", but they feel we are not under that much pressure from Canadian asbestos. They indicated interest in a 3-year purchase agreement if we would consider including some type of price increase restraint. I told them we would not consider below-schedule pricing for such an agreement. They would not explain an apparent reluctance to purchase significant quantities of asbestos from Carey or other Canadian sources. They claim that TiO_2 savings justify their use of California asbestos in Vails Gate. We discussed the use of bulk pellets at VG, a savings of about $25/T vs. our bagged product. We told them we would take a look at providing all their requirements by adjusting our product mix. Mr. Weirerstall, the decision maker, will be in Europe until September. It was left that we would resume our discussion when he returns.

ACTION:

1) Determine the effect on profitability if we alter produce mix to supply GAF with 12,000 TPY, all in bags and 1/3 bags and 2/3 bulk (JLM).

2) Determine the possibility and desirability of a 3-year purchase agreement with a price increase restraint (JLM).

3) Continue to contact Larry Lyons monthly for orders (GLD).