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April 20, 2000

BY HAND

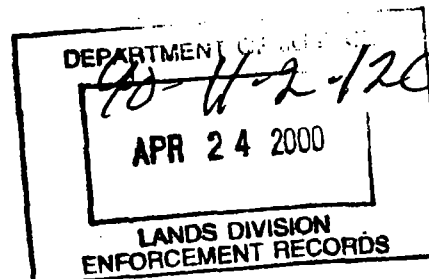
The Honorable Lois J. Schiffer
Assistant Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Room 2718
Washington, D.C. 20530

Re: W.R. Grace & Co. - Libby, Montana Asbestos Matter

Dear Lois:

We have been asked on behalf of our client, W.R. Grace & Co. ("Grace"), to provide you with a courtesy copy of the attached letter from Grace's counsel to the Environmental Protection Agency, Region 8. In essence, Mr. Lund's letter notifies Region 8 that Grace would prefer to conduct any asbestos remedial work at Libby under a Unilateral Administrative Order as opposed to an Order on Consent. In his letter to Region 8, Mr. Lund provides Grace's rationale for this decision by stating "With such critical decisions yet to be made, the presence of an imminent and substantial endangerment in Libby has not been established.... Under the circumstances, Grace cannot commit to signing an order which forces them to give up all past and future rights."

Because of the sensitive and highly visible nature of the Libby asbestos issue, Grace wants to ensure that the appropriate senior government compliance and enforcement officials are kept accurately informed of the relevant facts. In this regard, Grace is willing to meet with you and answer any appropriate questions, which you may have regarding this matter. For further information, please contact David M. Cleary, Esq. of W.R. Grace & Co. at (901) 820-2039 or Mr. Lund directly.



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With best regards, I am

Very truly yours,



Christopher H. Marraro

CHM/kdc
Enclosure

cc: David M. Cleary, Esq. (w/enclosure)
Kenneth W. Lund, Esq. (w/enclosure)