



E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

NEWPORT, DELAWARE 19804

CHEMICALS AND PIGMENTS DEPARTMENT

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DU PONT CONFIDENTIAL
SPECIAL CONTROL

To: P. A. Wriede
Jackson Lab

From: S. A. Dombchik

1981 COST REDUCTION ACCOMPLISHMENTS

Attached are 1981 Cost Reduction Accomplishments at Newport totaling \$1.7MM vs. 10/80 forecast of \$0.65MM firm and \$0.8MM goal. These reductions represent 53% of the total site cost reductions of \$3.2MM. Most of the accomplishments are shared between R&D and Production. Included are \$0.56MM of reduced Technical Assistance. Explanations are included for > 20% deviations from forecast.

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R&D COST IMPROVEMENT ACCOMPLISHMENT REPORT - CPC

NEWPORT PLANT

DATE - JANUARY 29, 1982

(All values in thousands of dollars)

Year	FIRM (Accomplished)					GOAL (Accomplished)					GOAL (Forecast)				
	1981					1981					1982				
	I	II	III	IV	YR. OVER	I	II	III	IV	YR.	CARRY OVER	NEW	1983	1984	1985
Quarter															
Pigment Losses (3%)	34	34	34	34	136								80	75	
Crude Consolidation	255	155	0	0	410										
Finish.Consolid.	0	0	0	0	0	0	0	0	0	0					
Low Cost Beta												60	150		
Kerosene Red.												100			
Membrane Press	10	10	11	11	42	76									
Energy (5%)							42	42	42	42	168	150	50	50	0
Reduce Substd.							13	13	14	14	54	6			
Tech. Assist.							29	29	29	30	117	20	30	60	60
Site Total															
Current	299	199	45	45	588	76	84	84	85	86	339	416	305	110	60
Original	(205)	(207)	(57)	(57)	(526)	(0)	(13)	(63)	(98)	(98)	(272)	(595)	(265)	(15)	(15)
Site Energy Total															
Current	0	0	0	0	0	0	42	42	42	42	168	150	50	50	0
Original	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(15)	(15)	(30)	(75)	(75)	(0)	(0)

1981 COST REDUCTION ACCOMPLISHMENTS
PROGRAM WITH VARIANCES GREATER THAN 20%

CPC

- Pigment Losses (\$136M vs. \$88M fcst.; \$155M vs. \$50M Yield, 1982-85)

Results represent average loss/day weighted for production rates; actual loss/day increased in 1981; additional opportunities identified.

- Crude Consolidation (\$410M vs. \$320M fcst.)

Improved manpower efficiencies achieved.

- Finishing Consolidation (\$0 vs. \$158M Goal fcst.)

Work terminated; Investment too high with inadequate return.

- Kerosene Reduction (\$0 vs. \$30M Goal fcst.; \$100M vs. \$150M 1982-5)

Double decanter started up - did not reduce kerosene consumption which actually rose 33%; work to remove CPC from decanter IQ-82 is expected to improve kerosene recovery; several causes of kerosene losses were corrected in 1981 to bring usage close to historical levels at year end.

- Membrane Press (\$42M vs. \$118M)

Presses installed; labor savings obtained; energy, water, and yield savings postponed to 1982 pending installation of improved plates 2/82.

- Energy (\$168M vs. \$30M goal; \$250M vs. \$150M 1982-5)

Results obtained from overall economies in CPC operation and minimization of "Dowtherm" boiler use; additional opportunities identified.

- Technical Assistance (\$117M vs. \$0M; \$180M vs. \$0M 1982-5)

Technical Assistance reduced vs. budget and historical levels.

- Low Cost Beta (\$210M vs. \$400M 1982-5)

Product in market development; opportunity diminished.

- Reduce Substandard (\$6M vs. \$60M 1982-5)

Substandard reduction will occur at Newport, work will allow reduced sales inventories; neither of these items on 1981 cost forecast.

NEWPORT PLANT

DATE - JANUARY 29, 1982

(All values in thousands of dollars)

Year	FIRM (Accomplished)					GOAL (Accomplished)					GOAL (Forecast)					
	1981					1982					1983					
	I	II	III	IV	YR.	CARRY OVER	I	II	III	IV	YR.	CARRY OVER	NEW	1983	1984	1985
Quarter																
Sodium Methylate																
Non-Cr QAQ	7	0	11	38	56	20	0	21	2	52	75	30	200			
Dowtherm							0	0	0	15	15	150	150			
Yield	6	6	6	0	18	-	13	13	13	12	51	40	40	40	40	40
Reduce Substd.							32	32	32	32	128	47	-	-	-	-
Energy	0	0	0	0	0		0	0	0	0	0	65	50	50	50	-
Alt. QA Ingred.														550		
Liq. NEMSA													40			
(Dimethyl QA)																
Eliminate Newark																
Drying														70		
Technical Assist.														20	30	60
Site Total																
Current	13	6	17	38	74	20	156	178	158	223	715		562	270	770	100
Original	17	17	42	42	118		141	140	109	108	498		50	465	50	100
Site Energy Total																
Current	0	0	0	0	0		0	0	0	0	0		65	50	50	0
Original	0	0	25	25	50		25	25	25	25	100		0	0	0	0

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1981 COST REDUCTION ACCOMPLISHMENTS

PROGRAM WITH VARIANCES GREATER THAN 20%

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Sodium Methyrate (\$75M vs. \$124M; \$200M vs. \$0 1982-5)

Reductions implemented late and in only one of two lines due to Production Division concern over depressed yields; \$200M additional savings potential exists with further reductions identified through limited plant trials.

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Dowtherm (\$15M vs. \$70M goal; \$300M vs. \$100M 1982-5)

Work delayed-priorities; pilot plant work has demonstrated \$100M+ annualized savings potential - basic data complete for II Q/82 MCN Aughorization. \$200M opportunity defined to make Dowtherm from lower cost components - will implement in 1982.

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Energy (\$0 vs. \$150M in Firm + Goal; \$165M vs. \$0 1982-5)

Work delayed-priorities; \$150M/yr. opportunities identified; at implementation and/or project stage.

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Technical Assistance (\$446M vs. \$0; \$170M vs. \$0 1982-5)

Technical effort reduced vs. budget and historical levels.

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Reduce Substandard (\$47M vs. \$0 1982-5)

Additional opportunities identified.