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PRODUCTION DIVISION COST REDUCTION PROGRAM
SUMMARY REPORT

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CH-2 REV. 7-80



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

February 28, 1983

TO: ADDRESSEES

FROM: J. A. DEGE

1982 COST REDUCTION PROGRAM

Savings for the year totaled $89MM, up 37% from $65MM in 1981. This is 170% of the $52MM commitment and 117% of the $77MM goal.

These savings total approximately 6.5% of total factory cost compared to the 4.5% forecast. Details are in Attachment I.

Ingredient savings were $36.1MM (41% of the total) with $6.9MM resulting from aggressive price negotiations and cheaper alternative suppliers.

Labor and salary savings of $23.6MM (versus $8.7MM committed and $11.8MM goal) were 26% of the total and contributed to exceeding the department's goals. Plant detail in Attachment II.

Energy cost reductions of $14.9MM include $2.9MM savings from Chambers Works' project, "Return to Coal".

Seventeen plants exceeded savings of $1MM. Three plants exceeded $10MM (Chambers Works, Deer Park, and Johnsonville) comprising 50% of total savings.

Thirteen plants exceeded their goals. Four plants were short of their commitments: Beaumont by $63M due to delayed tie-in of control systems from 1981 to the 1982 shutdown; Healing Springs by $132M and Toledo by $10M because production was lower than forecast; LaPorte by $300M due to delays in completion of energy saving projects for cash conservation.

Major deviations from forecast (greater than $100M short of commitment vs. firm or $100M in excess of goal) on an individual program are detailed in Attachment III.

Programs with significant savings (in excess of $500M) totaled $36MM and are listed in Attachment IV. They represent 40% of total savings. Obviously, most savings are generated by accumulation from small programs.

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Attachments
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ATTACHMENT I

1982 COST REDUCTION SUMMARY

	Committed	Goal	Actual	% Factory Cost
Antioch	679	1,151	1,960	7.6
Augusta	-	-	63	3.0
Beaumont	950	1,133	887	1.0
Belle	1,895	3,600	1,915	2.6
Burnside	-	171	158	9.0
Chambers Works	12,427	17,339	18,562	10.2
Cleveland	1,731	1,917	1,743	5.7
Deer Park	9,696	15,891	14,860	10.6
DeLisle	2,987	3,872	7,196	7.2
East Chicago	464	787	1,263	3.8
Edge Moor	2,418	3,508	8,078	0.9
Florida	455	920	1,047	4.7
Fort Hill	13	13	13	0.2
Fortville	12	12	50	3.1
Grasselli	827	1,023	1,368	3.7
Healing Springs	245	267	113	3.0
Johnsonville	4,051	5,812	11,129	7.7
LaPorte	2,647	3,665	2,338	2.9
Memphis	3,974	6,501	4,871	3.7
Newark	1,092	1,291	2,217	3.9
Newport	2,304	3,805	3,717	10.1
Niagara Falls	875	1,829	2,769	3.0
Pineville	-	-	-	
Repauno	1,671	1,970	2,726	4.9
Toledo	52	52	42	0.7
Wurtland	32	36	58	0.7
TOTAL	51,497	76,565	89,143	6.5

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ATTACHMENT II

1982 COST REDUCTION SUMMARY

($M)

	Committed	Goal	Actual	% Factory Cost	Ingredients	Labor & Salaries	Maintenance Materials	Energy	Other
Antioch	679	1,151	1,960	7.6	328	561	86	771	214
Augusta	-	-	63	3.0	33	-	5	13	12
Beaumont	950	1,133	887	1.0	356	128	105	197	101
Belle	1,895	3,600	1,915	2.6	1,318	-	-	597	-
Burnside	-	171	158	0.9	34	-	-	124	-
Chambers Works	12,427	17,339	18,562	10.2	4,523	7,320	340	5,583	796
Cleveland	1,731	1,917	1,743	5.7	374	965	182	79	143
Deer Park	9,696	15,891	14,860	10.6	13,091	897	511	880	(519)
DeLisle	2,987	3,872	7,196	7.2	3,075	2,834	499	308	480
East Chicago	464	787	1,263	3.8	40	760	15	319	129
Edge Moor	2,418	3,508	8,078	9.0	2,780	1,860	359	2,036	1,043
Florida	455	920	1,047	4.7	-	639	220	129	59
Fort Hill	13	13	13	0.2	-	13	-	-	-
Fortville	12	12	50	3.1	3	6	14	17	10
Grasselli	827	1,023	1,368	3.7	121	677	151	281	138
Healing Springs	245	267	113	3.0	32	-	-	81	-
Johnsonville	4,051	5,812	11,129	7.7	5,886	416	2,235	842	1,750
LaPorte	2,647	3,665	2,338	2.9	1,326	203	160	526	123
Memphis	3,974	6,501	4,871	3.7	1,090	921	1,026	890	944
Newark	1,092	1,291	2,217	3.9	771	1,080	243	76	47
Newport	2,304	3,805	3,717	10.1	329	2,188	216	412	572
Niagara Falls	875	1,829	2,769	3.0	527	599	599	162	882
Pineville	-	-	-		-	-	-	-	-
Repauno	1,671	1,970	2,726	4.9	2	1,524	249	555	396
Toledo	52	52	42	0.7	38	-	-	-	4
Wurtland	32	36	58	0.7	5	-	47	-	6
TOTAL	51,497	76,565	89,143	6.5	36,082	23,591	7,262	14,878	7,330

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ATTACHMENT III

PLANT/PROGRAM	Incremental Deviation Of More Than $100M Below Commitment or $100M Above Goal
Antioch	
Low Grade Ore Use	161
Reduced Wage Operating Manpower	110
Reduced Shift Mechanics	176
Process Steam Reduction	333
Electricity Conservation	212
Lime Neutralization	(130)
Natural Gas Price Reduction	101
Beaumont	
Process Optimization	(180)
Improved Maintenance Productivity	128
Belle	
$MeOH/NH_3$ Yield	100
DMF Yield	176
CO_2 Purchase	570
Waste Disposal	185
NH_3 Feed Vaporization	104
Chambers Works	
Use Weak Nitric Acid in mono-Nitrotoluene Crude Manufacture	(161)
Reduce Hydrogen Use in MPD Crude Mfg.	(189)
Reduce Diamines Operators	(133)
Increase PFBE Yield	(252)
Ship "Merpol" 4481 in Tank Trucks Vs. Flaker	(141)
Reduced Operating Labor WWTP	139
Reduced Operating Labor EMS/P&S	165
Substitute No. 6 Oil for No. 2	(110)
Use Sulfuric Acid for Ash Washing	(225)
Shut Down FR-311	935
Reduced Control Nonexempt Personnel	406
Reduced Labor Relations Exempt Salary	124
Cleveland	
HCl Savings - Zinc	(101)
Opportunistic Ash Purchases - Zinc	(191)

PLANT/PROGRAM	Incremental Deviation Of More Than $100M Below Commitment or $100M Above Goal
Deer Park	
Improved Residuum Yield	1,007
Reduced Residuum Price	1,989
Reduced Nitrogen Use	359
Improved POX WHE Tubes	(155)
Reduced Waste Disposal Costs	(1,004)
Reduced Methanol Ref. Purges	(352)
Increased CO_2 Sales	(262)
DeLisle	
Union Coke Price	185
Fume Disposal HCl	(124)
Reduced Personnel - Reserve Specialists	179
Contractor Reductions	2,091
Separation Bag Filter Materials	200
Landfill Costs	246
East Chicago	
Reduced Mechanical Crew	151
Reduced Control Lab Analysts	137
Reduced Process Eng.	104
Edge Moor	
Alternate Coke	896
Improved Finishing Yield	(150)
Pigment Recovery	511
Reduced Substandard	525
Reduced Coke Consumption	159
Reduced Finishing Operating Labor	335
Reduced Maint. Materials - Line II	142
Reduced Steam/Pigment Ratio	998
Barging, Eliminate Dedicated Tug	119
Eliminate Spray Disc	(110)
Reduced Pond Dredging	175
Increased $FeCl_3$ Distribution	(182)
Florida	
Reduced Manpower	286
Healing Springs	
Reduced Fuel Oil	(119)

PLANT/PROGRAM	Incremental Deviation Of More Than $100M Below Commitment or $100M Above Goal
Johnsonville	
Recovered Ore Feed	2,140
H_2S Conversion	(147)
Coke Barging	269
Reduced Coke Consumption	239
Ferrous Operation	166
Chlorine Price Reduction	579
Floc Facilities, #1 F&D	165
Floc Facilities, #2 F&D	(208)
Spare Parts Fabrication	510
Improve 960 Success Factor	(160)
Reprocess R-101	245
La Porte	
THF - Heat Exchange Between Pressure & Azeo Col.	(125)
Memphis	
Change Quinones Ratio	(263)
Reduce Contract Maint. Costs	481
Waste Gas Usage - Power	(133)
Natural Gas Savings - Power	(465)
Reduced Area Steam Usage - HCN	(178)
Hopper Car Freight & Loading Saving - NaCN	230
Newport	
Dowtherm - Improve Solvent Recovery	125
Reduce Staff & Operating Manpower - QA	309
Reduce Operating Manpower - CPC	161
Economizer #4 Boiler	127
Reduce Mechanical Wage Manpower	415
Improve Steam Trap Maint.	(101)
Newark	
Increase IO Yields	142
Warehouse Consolidation	121
Cont. Process Mfg. YE-698	(240)
Manpower Reductions	622
Installation of Bauer MIll	123
Niagara	
Reduce Mechanical Overtime	260

PLANT/PROGRAM	Incremental Deviation Of More Than $100M Below Commitment or $100M Above Goal
Repauno	
Reduce Hydrogen Ratio - Aniline	(133)
Reduce Mechanical Manpower	283
Reduced Steam Ratio - NB	(622)
Reduced Fuel Oil Consumption	265
Reduced Acid Storage	347

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ATTACHMENT IV

PROGRAMS GREATER THAN $500M

PLANT/PROGRAM	$M
Chambers Works	
Manufacture of 3,4 DCA in CSTR	1,056
Return to Coal	2,893
Shutdown FR 311 (WWTP)	953
Reduce Manpower - Control Section	678
Deer Park	
Mechanical Productivity Improvement	897
Improve Residuum Yield	8,232
Reduced Residuum Price	3,249
Reduced Nitrogen Use	599
Reduced Natural Gas Use	880
DeLisle	
Reduced Soluble Yield Loss	557
Coke Price Reduction	885
Chlorine Price Reduction	584
Contractor Reductions	2,091
Edge Moor	
Alternate Coke Supplier	1,215
Pigment Recovery	626
Reduced Substandard	525
RPS Conversion	762
Reduced Steam/Pigment Grinding Ratio	1,008
Johnsonville	
Recovered Ore Feed	2,478
Reduced Coke Consumption	929
Reduced Chlorine Price	579
Spare Parts Fabrication	600
LaPorte	
Catalyst Life Improvement	1,000

PLANT/PROGRAM	$M
Memphis	
HCN Reduced NH_3/Gas Usage	591
Reduced Contract Maintenance Costs	781
Newport	
Reduced Mechanical Manpower	541
Newark	
Manpower Reductions	622
Repauno	
Reduced Mechanical Manpower	657
TOTAL	36,450

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