Monsanto

FROM (NAME & LOCATION) W. A. Kuhn

DATE : April 1, 1969

SUBJECT : AROCLOR TANK CAR FLEET

REFERENCE :

TO : C. Sigler CSIGL

cc: D. A. Olson DOLSO
P. G. Benignus PBENI
R. Sipes RSIPE
~~H. S. Bergen HBERG~~

I have discussed Aroclor tank cars with Don Olson and the following policy has been established. It is based on the belief that dissatisfied customers pose an unusual threat to our special situation of being the only domestic producer of chlorinated biphenyl.

Size of Fleet

A safety factor of approximately 50% should be maintained. This would be about 10 cars over the normal computer calculated fleet size. We now have 2 extra cars and the Aroclor forecast is being revised downward. For this reason, we may not have to add any cars in the near future. After the new forecast is submitted to Production Planning, please recalculate the car requirements and let us know the result.

Serviceability of Fleet

The reliability of our service from the customer's viewpoint must be considered excellent. As you and I have discussed, this frequently can be a matter of opinion. We strongly urge, however, that cars be inspected (and repaired or removed from the fleet) with sufficient frequency to avoid legitimate customer dissatisfaction. We understand that age and leased/owned status, per se, are not valid criteria for judging car condition. You stated that the linings (which we have in our older cars) can be predicted to fail in about 10 years. You suggested, and we concur, that some system for anticipating this and for relining in advance of failure would be appropriate. We assume you will set up such a system.

Appearance of Fleet

Again, as we discussed, the appearance of Aroclor cars is felt to be more critical than that which would be considered adequate for most products. On this basis, you suggested that the Aroclor fleet could be painted more frequently (perhaps every two years instead of three) and that you could have the appearance of cars monitored by Poloroid picture when each is being loaded. We would like you to set up this latter action at least as a temporary measure.

DSW 200022

Carl, let us know when you have re-determined the appropriate fleet size. We appreciate your good advice.

W. A. Kuhn

DSW 200023