



Interoffice Communication

To R. D. Gamblin - Houston Chemicals
From J. A. DeBernardi
Date May 5, 1982
Subject VCM Plant 1982 Objectives - 1st Quarter Status

Attached you will find a brief review of the status of achievement related to the subject goals at the end of the first quarter of 1982.

A handwritten signature in cursive script, appearing to read "J. A. DeBernardi".

J. A. DeBernardi

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CCR 000067264

PART A QUANTITATIVE GOALS

	Results 1981	Objective 1982	First Quarter Results
SAFETY & HEALTH			
1. Have no lost-time injuries in 1982.	0	0	No lost time injuries during first quarter.
2. Limit medical cases to three in 1982 assuming one plant turnaround during the year.	5	3	No medical cases during first quarter.
3. Limit total injuries during the plant turnaround period to five assuming one plant turnaround in 1982. During normal operation limit total injuries to 8.			
<u>Normal Operations:</u> Permanent	8	7	1st Qtr.
Temp./Casual	1	1	1
			0
<u>Turnaround:</u> Permanent	1	1	No T/A
Temp./Casual	6	4	
	16	13	1
4. Correct deficiencies noted in plant hygiene audit conducted in Dec., 1981.	-	June, 1982	Breathing air quality testing, Scott Air Pak inspections are complete. Began welding fume exposure monitoring in 1st qtr. Revision of respiratory protection program will issue by September 1, 1982.
5. Complete hazardous bleeder valve identification and blinding/plugging program.	-	May, 1982	Program developed in first quarter and employee training was begun.
6. Provide training and instructor certification in CPR/First Aid for one laboratory analyst.	-	December, 1982	Ponca training course will be attended later in 1982.
ENERGY			
1. Operate at an energy usage rate during 1982 based on 580MM lbs. of VCM production and one plant turnaround not to exceed 4,162 BTU/lb. of VCM production.	4965 BTU/lb. of VCM production (3.09% reduction from 1972 base).	4,162 BTU/lb. of VCM production (18.5% reduction from 1972 base).	Energy usage was 4178 BTU/lb. VCM for first quarter. Represents an 18.4% reduction from 1972 base year.
Basis: Energy consumption based on the adjusted CMA calculation basis.			

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PART A QUANTITATIVE GOALS

ENERGY (CONTINUED)	Results 1981	Objective 1982	First Quarter Results
2. Implement a steam trap inspection and maintenance program.	-	June, 1982	Program implemented in 1st quarter. All plant stm. traps were inspected and tagged. Required repairs will complete in second quarter.
3. Develop and implement an energy conservation design check list for process designs.	-	August, 1982	No progress during first quarter.
4. Develop two economically attractive projects to reduce energy consumption for the 1983 Capital Budget.	One in 1982 Capital Budget.	August, 1982	Work on 1983 Capital Budget began late in first quarter. Attractive projects will be included in plant budget due July.
5. Define energy savings projects with potential energy savings totaling 200MMM BTU/yr. Definition to include preliminary process design and cost estimate, and economic calculation.	704MMM BTU/yr. define.	December, 1982	Definition of furnace transfer line exchanger project completed in first quarter. Additional project definitions will occur in 1983 Capital Budget development.
PRODUCTION AND COSTS			
1. Produce 580MM lbs. of VCM as budgeted provide there are no external restrictions related to this rate (market conditions, raw material supply, natural gas supply, etc.)	465.6MM lbs. VCM	580MM/lbs. of VCM	Budget production for first quarter was 160MM lbs. of VCM. Actual production was 150.3MM lbs. VCM. Shortfall attributed to weak market conditions.
2. Meet budgeted variable cost efficiency. (Price variances are excluded).	EDC (\$549.9M) VCM (\$350.9M) Incin (\$554.7M) (\$1,455.5M)	As budgeted	Efficiency variance for first quarter was favorable \$1,488.3M. Budgeting error accounts for \$1,326.9M of this favorable variance netting \$161.4M as accurate favorable efficiency variance.
3. Meet budgeted maintenance costs (one turnaround in 1982)		As budgeted	Maintenance cost showed a favorable variance of \$605.3M at end of first quarter.
4. Complete the 1982 plant turnaround on schedule and within budget.	T/A time-21 days T/A cost-\$1.19MM	T/A time- 20 days T/A cost-\$1.09MM	No plant turnaround in first quarter. Turnaround will occur in second quarter.
5. Execute a 5-year contract for sale of plant heavy-ends by-product to PPG.	-	March, 1982	Proposed contract from PPG expected to be received for Conoco review during second quarter.
6. Develop one economically attractive cost savings project to be included in 1983 Capital Budget.	One project in 1982 Capital Budget.	August, 1982	Work on 1983 Capital Budget began late in first quarter. Attractive projects will be included in plant proposed budget due July.

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PART A QUANTITATIVE GOALSPRODUCTION & COSTS (CONTINUED)

7. Reduce 0739 warehouse account value by 10.3% of the end 1981 value excluding additions necessary for oxy revamp spare parts.
8. Reduce 0744 account value by 8.6% of the projected ending 1982 value given in Oct., 1981 subject letter assuming the oxy revamp project will be on line in second quarter 1983.
9. Produce muriatic acid to satisfy Reagent Chemicals demand for 27% material.

Results
1981

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Objective
1982

10.3% reduction

8.6% reduction

2.5MM lbs., 27%
muriatic acid(dry basis)

First Quarter Results

0739 account value at end 1981 was \$76.3M. Value of this account at end of first quarter was \$75.6M representing a 0.92% reduction. On an unescalated value basis(i.e. end 1981 parts cost) this reduction would be 3.01%.

Projected ending 1982, 0744 account value was \$675M. At end of first quarter this account's value was \$551M representing an 18.4% reduction. Kanegafuchi catalyst for R-301 not being in inventory at end of first quarter is the major contributor to this large percentage reduction.

497M lbs. of 27% muriatic acid (dry basis) shipped to Reagent Chemical in first quarter.

PERSONNEL

1. Maintain a non-union field and office workforce at the VCM Plant.
2. Maintain a minority hiring rate that assures minority representation in the field workforce that is equal to or greater than availability statistics (1982 available statistics. 21.0%)
3. Maintain a female hiring rate of 25% into field workforce.
4. Recruit two Process Engineers into the plant organization in 1982.
5. Recruit one Mechanical Engineer into the plant organization in 1982.
6. Recruit one Safety Engineer into the plant organization in 1982.
7. Provide supervisory training in non-union status maintenance to one supervisor.

Non-represented
status maintained.22.8% minority
representation.No permanent fe-
males hired.Five Process
Engineers recruit-
ed.

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One supervisor
to training
course.Maintain non-union
workforce.Minority representation
field workforce - 21.0%.Female hiring rate
of 25%.Recruit two Process
Engineers.Recruit one Mechanical
Engineer.

Recruit one Safety Eng.

One supervisor to training
course.

No union activity during first quarter.

Minority representation at end of quarter in field workforce is 22.9%.

No permanent hires into field workforce during 1st qtr. One female on temporary payroll leading to permanent employment during 1st qtr.

One process engineer was recruited for permanent employment during first quarter.

No mechanical engineers accepted permanent employment during first quarter.

One safety engineer accepted permanent employment during first quarter.

One supervisor attended non-union maintenance seminar in first quarter.

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PART A QUANTITATIVE GOALS

	Results 1981	Objective 1982	First Quarter Results
<u>ENVIRONMENTAL CONTROL</u>			
1. Operate the plant's secondary system within effluent concentration parameters (excluding system by-passes caused by heavy rains.)	Five violation notices filed. pH - 5 TSS - 0 COD - 0 BOD ₅ - 0	No non-compliance reports.	No non-compliance reports filed during first quarter.
2. Correct deficiencies noted in plant environmental audit conducted in December, 1981.	-	May, 1982	All items noted in plant environmental audit were corrected during first quarter.
3. Correct EPA noted variances in plant NPDES effluent testing procedures.	-	September, 1982	All recommended and required variances in NPDES effluent testing procedures noted in EPA's final report of the Jan., 1981 inspection have been corrected.
4. Develop a slide/tape training presentation for plant employees related to plant environmental permits, procedures, etc.	-	November, 1982	No progress during first quarter.
5. Operate plant EPA-VCM emission control equipment with compliance factors as follows:			<u>1st Qtr.</u>
a) Incineration System	99.82%	99.85%	99.94%
Oxy Vent	99.26%	99.50%	99.44%
Shiploading Carbon Beds	100%	100%	100.00%
Steam Stripper System	99.95%	100%	99.89%
Vent Blower System	100%	100%	100.00%
b) No plant shutdowns are caused by incinerator system failures.	No plant shutdowns	No plant shutdowns	No plant shutdowns occurred due to incinerator failure during first quarter.

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PART B STRETCH GOALS

	Results 1981	Objective 1982	First Quarter Results
<u>SAFETY & HEALTH</u>			
1. Limit total injuries in 1982 assuming one plant turnaround to eleven.	16 total injuries.	11 total injuries.	One first-aid case reported during first quarter.
2. Prepare a slide/tape safety orientation program specifically for contract personnel training.	-	Oct., 1982	No progress during first quarter.
<u>ENERGY</u>			
1. Define energy savings projects with potential energy savings totaling 400MM BTU/yr. Definition to include preliminary process design and cost estimate, and economic calculation.	704MM BTU/yr. defined.	Dec., 1982	Definition of furnace transfer line exchanger project completed in first quarter. Additional project definitions will occur in 1983 Capital Budget development.
<u>PRODUCTION & COSTS</u>			
1. Reduce 0744 account value by 20% of the projected ending 1982 value given in Oct., 1981, subject letter, assuming the oxy re-vamp project will be on-line in second quarter 1983.	-	20% reduction	End of first quarter reduction from base was 18.4%. Kanegafuchi catalyst for R-301 not being in inventory account at end of first quarter is the major contributor to this large percentage reduction.

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PART C NON - QUANTITATIVE GOALS

First Quarter Results

1. Complete the microfilming and storage of plant records related to OSHA, Federal and State environmental data.
2. Finalize the reporting policy for Superfund reporting in regard to routine/non-routine occurrences and NESHAP incidents, with input from Houston Legal and Environmental Departments.
3. Complete the scope definition and gain approval for funding for the coking/decoking research project at Purdue University.
4. Complete the required definition work by the plant and/or R&D related to the furnace transfer line exchanger project.
5. Work with DuPont personnel on possible synergisms between the VCM Plant and DuPont operations (i.e. boiling liquid reactor, light-ends usage, etc.)
6. Provide required plant personnel to work on the modernization project, project team.

Equipment checked out and operative in first quarter. Microfilming will begin during second quarter.

Work was begun in first quarter with Houston Legal and Environmental to attempt to develop guidelines related to Superfund reporting requirements. Finalization of policy expected during 1982.

Work between plant & R&D on this project began in first quarter. No decision reached on funding however. Likely that these studies will not be funded in 1982.

Definition work on project completed at plant. Discussions continue with R&D on project procedure.

Work done in first quarter on BLR for Corpus, and light-ends usage at Corpus Chlorocarbons Plant. Also moved EDC to DuPont at Chambers Works and will make shipments to Beaumont and Antioch Plants.

Two plant employees assigned full time to modernization project during first quarter.

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