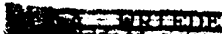
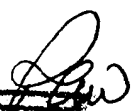


February 16, 1983

TO: C. J. SLENTZ

FROM:  

1982 COST REDUCTION ACCOMPLISHMENTS

Attached are Newark and Newport reports detailing results of cost improvement programs for 1982. Explanations are included for major variance vs. forecast.

PAW/jmg

Attachments

R&D COST IMPROVEMENT ACCOMPLISHMENT REPORT - QA

NEWPORT PLANT

DATE FEBRUARY 9, 1983

(All value in thousands of Dollars)

	FIRM (ACCOMPLISHED) 1982					GOAL (ACCOMPLISHED) 1982					1983 CARRY OVER	GOAL (FORECAST) 1984 1985 1986		
	I	II	III	IV	YR.	I	II	III	IB	YR.				
Energy	72	35	40	7	154						65	290	160	395
Substandard Reduction	8	9	9	9	35	1	-	2	13	16		10	10	10
Liquid NBMSA (Dimethyl QA)	41	32	6	-	79									
Reduce Methylate	19	11	13	2	45							-	30	70
Yield														
"Dowtherm®"						64	31	-	7	102		30	75	200
Reduce Sitol								57	125	182	75	25	25	75
Caustic (WN)											60			
Water								88	27	115		10	10	10
Rewash Gamma											200			
H ₂ SO ₄ in SSE												250	10	-
R&D Manpower	-	10	35	12	57							80	90	
Non-Cr QAQ	11	-	7	5	23									
Site Total														
Current	151	97	110	35	508	65	31	2	145	243		695	410	760
Original	(83)	(84)	(44)	(29)	(240)	(63)	(63)	(63)	(63)	(252)		(770)	(100)	(40)
Site-Energy														
Total														
Current	72	35	40	7	154							290	160	395
Original	(20)	(20)	(20)	(5)	(65)							(50)	-	-

QA

- Liquid NBMSA (Dimethyl QA) (\$79M achieved vs. \$40M firm forecast)

Also includes unit-consumption reduction of 0.04 lbs. per lb. of QA.

- Reduce Methylate (\$45M achieved vs. \$50M firm and \$200M goal)

NaOMe reduced from 29% to 24% excess in line 2. Reduction to 15% excess scheduled for April demonstration.

- Yield (\$102M achieved vs. \$50M goal forecast)

Represents a yield increase of 1.1% over 1981.

- R&D Manpower (\$57M achieved vs. \$50M firm forecast)

Reductions for one early retirement (wageroll) and one transfer (exempt) were divided equally between CPC and QA.

- Dowtherm[®] Reduction (\$182M achieved vs. \$0M forecast)

Represents savings from in-house component mixing, and for improving solvent recovery.

- Caustic (Waste Neutralization) (\$115M achieved vs. \$0M forecast)

Represents savings from improved pH control in waste neutralization. Automation studies are scheduled for March.

R&D COST IMPROVEMENT ACCOMPLISHMENT REPORT-CPC

NEWPORT PLANT

DATE - FEBRUARY 9, 1983

(All Values in thousands of Dollars)

YEAR QUARTER	FIRM (ACCOMPLISHED)				CARRY OVER	GOAL (ACCOMPLISHED)				CARRY OVER	GOAL (FORECAST)			
	1982					1982					1984	1985 1986		
	I	II	III	IV		YR.	I	II	III		IV	YR.		
Reduce Kerosene Pigment Losses	-	-	-	-	-	-	9	4	29	42	-	-	75	-
Energy	36	31	29	35	131	-	-	-	-	-	130	-	-	155
Eliminate Newark Rewash											145	-	-	260
Substandard						2	4	-	3	9	20	-	-	50
Reduction														-
CPC-AF Complex												200		-
R&D Manpower	10	16	19	12	57						80	90		
Reduce CPC-MS Use											50			
Lower Cost BT-417/ BT-487								-	-	-				
Yield(Ex. Physical)											25	25	25	25
Water												70		
Site Total														
Current	46	47	48	47	188	2	13	4	32	51	450	510	490	
Original	(55)	(55)	(55)	(45)	(210)	(37)	(36)	(67)	(66)	(206)	(110)	(60)	(0)	(0)
Site Energy Total														
Current	36	31	29	35	131	0	0	0	0	0	145	0	260	
Original	(40)	(40)	(40)	(30)	(150)	(0)	(0)	(0)	(0)	(0)	(50)	(0)	(0)	(0)

1982 COST REDUCTION ACCOMPLISHMENTS
PROGRAM WITH VARIANCES GREATER THAN 20%

CPC

- Reduce Kerosene (\$42M achieved vs. \$100M goal forecast)

Kerosene consumption was reduced from 0.9 to 0.7 lb. per pound of CPC (goal 0.4 lb.) through improved decanter operation and improved BB/BBF phase separations. Loss rate in approaching the historical rate in plant I (0.6 lb./lb.).

- Pigment Losses (\$0M achieved vs. \$40M firm and \$40M goal)

Actual gate losses decreased from 900 to 300 pounds per day. As a percentage of production, losses remained constant (6%).

- R&D Manpower (\$57M achieved vs. \$20M firm)

Reduction for one early retirement (wageroll) and one transfer (exempt) were divided equally between CPC and QA.

- Lower Cost Beta CPC (\$0M achieved vs. \$60M goal)

The marketing opportunity has diminished for these products.

OTHER ORGANICS

R+D COST IMPROVEMENT ACCOMPLISHMENT REPORT

PLANT - NEWARK

DATE - 1/83

(All values in thousands of dollars)

YEAR	FIRM (accomplished)				GOAL (accomplished)				GOAL (forecast)			
	1982				1982				1983			
QUARTER	I	II	III	IV	Yr.	I	II	III	IV	Yr.	Carry Over	New
Drum Washer					0							
Dust Control	0	1	2	3	6							
Reduce Blending						5	5	5	5	20		
Eliminate Clarification						0	0	0	3	3	100	100
Personnel Reduction Not F/C						0	0	84	125	209	292	

ITE TOTAL												
- Current	0	1	2	3	6	5	5	89	133	232	292	100
- Original Fcst	(9)	(9)	(9)	(11)	(38)	(10)	(30)	(12)	(13)	(45)	(5)	(0)
ITE TOTAL												
- Current	()	()	()	()	()	()	()	()	()	()	()	()
- Original Fcst	()	()	()	()	()	()	()	()	()	()	()	()

INORGANICS

R+D COST IMPROVEMENT ACCOMPLISHMENT REPORT

PLANT - NEWARK

DATE - 1/83

(All values in thousands of dollars)

Year	FIRM (accomplished)				GOAL (accomplished)				GOAL (forecast)		
	1982				1982				1983	84	85
Quarter	I	II	III	IV	Yr.	I	II	III	IV	Yr.	Carry Over
Liquid Alum	9	15	0	0	24						
Dust Control	1	1	1	2	5						
Eliminate Component										37	33
Flow Control					0					4	20
YE-698 Cont.					0					95	25
New Mill	26	8	9	9	52						30

SITE TOTAL

- Current

- Original Fcst

SITE E TOTAL

- Current

- Original Fcst

36	24	10	11	81	58	0	0	0	0	0	99	37	58	50
(33)	(33)	(35)	(37)	(138)		(64)	(64)	(79)	(81)	(288)	(0)	(80)	(0)	(0)
()	()	()	()	()	()	()	()	()	()	()	()	()	()	()

DUP050145875

N 26485.04

QA

R+D COST IMPROVEMENT ACCOMPLISHMENT REPORT

PLANT - NEWARK

DATE - 1/83

(All values in thousands of dollars)

Year	FIRM (accomplished)					GOAL (accomplished)					GOAL (forecast)		
	1982				1983	1982				1983	84	85	86
Quarter	I	II	III	IV	Yr.	Carry Over	I	II	III	IV	Yr.	Carry Over	New

11

Reduce Substandard
(Nwpt-Nwk Program)

ITE TOTAL																
- Current																
- Original Fcst																
TE E TOTAL																
- Current																
- Original Fcst																

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N 26485.05

R+D COST IMPROVEMENT ACCOMPLISHMENT REPORT

PLANT - NEWARK

DATE - 1/83

(All values in thousands of dollars)

Year	FIRM (accomplished)				GOAL (accomplished)				GOAL (forecast)	
	1982				1982				1983	1984
Quarter	I	II	III	IV	I	II	III	IV	Carry Over	New
	1	1	2	2	6	6	6	6	85	86
Reduce Substandard (Nwpt-Nwk Program)										

ITE TOTAL										
- Current	1	1	2	2	6					5
- Original Fcst	(1)	(1)	(2)	(2)	(6)	()	()	()	()	(0)
TE E TOTAL										
- Current	()	()	()	()	()	()	()	()	()	()
- Original Fcst										

COST REDUCTION VARIANCE EXPLANATIONS

	\$M		
	<u>FIRM</u>	<u>ACTUAL</u>	
<u>INORGANICS</u>			
Liquid Alum	48	24	Production lower than forecast.
Eliminate Component	19	0	Program delayed. To be implemented IIQ83.
Flow Control	65	0	Program delayed. Project installed 3Q82. Initiated testing during remainder of 1982. Savings anticipated to begin IQ83.
YE-698-D	240	0	Initial trials unsuccessful. Program scope redefined 3Q82. Will batch strike/finish continuous. One trial successful in 4Q82. Savings to be implemented during IQ83.
<u>OTHER ORGANICS</u>			
Drum Washer	30	0	Program cancelled. Unable to modify equipment for efficient use.
Reduce Blending	40	20	Actual production lower than forecast.
Eliminate Clarification	5	3	Development work required, delayed plant trials. Full implementation expected by IIQ83.