

INTER-OFFICE MEMO

At Flemington

FROM R. A. Donovan

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SUBJECT Activity Report - November, 1983

I. Safety

There were no Lost Time or Restricted Duty injuries in the Production Department during the month.

The monthly shift safety meeting covered the proper use of Scott Air Paks. Demonstration of proper technique as regards Scott Air Paks was provided. Additionally, the VCM standard was reviewed.

The Job Safety Analysis continued in November, with review of the Reactor Operator classification.

II. Statistics

Production Summary

Production Loss Report

Controllable Overtime - 12.8%

III. Personnel

An ICWU employee returned from a long term absence in early November. Another employee went out on a disability in November, and currently remains out. His position is being filled by a Relief Operator.

A second Relief Operator was added to the staff on November 7, 1983. He is presently training in the job.

One ICWU employee was terminated during November for verbal and physical abuse of a supervisor. The Union is intent on taking this case to Arbitration. His position was filled with one of the laid off employees.

In addition to the termination, three (3) ICWU employees were issued reprimands in November. The reasons for these are as follows: Improper shift relief (verbal), operational error (written) and poor attendance record (written).

IV. Costs

1. Variable cost estimate favorable for November and Y-T-D due to favorable #6 oil price offsetting increasing raw material prices. Variable cost estimate high in December due to having to run Boiler House during shutdown period.
2. Fixed cost estimate favorable for December due to reversal of \$300M shutdown accrual and shutdown/layoff to take place on December 12, 1983.
3. Conversion cost for November above budget due to accrual of \$100M for December shutdown, plus lower than budget volume resulting from the reduced running mode. Conversion cost for December favorable due to \$300M shutdown accrual reversal.

NOTE: Conversion cost for November excluding the \$100M accrual would be below budget at \$0.0985/lb.

4. It should be noted that November's production volume of 6960 M lbs. is the highest the plant has accomplished since implementation of the reduced running mode, and represents the fourth consecutive month in which a new production record was established.

V. Major Projects and On-Going Programs

Tracing and insulation of various process line continued in November.

Operation of the auxiliary heat exchanger for the refrigeration system functioned well in November. Savings in electrical costs, based on November's operations are presently at \$4,000 per month.

The AFE for installing positive shutoff valves in the reactor steam valves has been approved. Completion of this project is targeted for the first quarter of 1984.

Settling trials aimed at elimination of the ponds, continued in November. In light of recent environmental issues, a high priority has been given to development of an overall plan for elimination of the ponds.

VI. Environmental

Reactor Building VCM levels averaged 0.2 ppm in November.

Reactor vapors samples averaged 1123 ppm in November.

Stripped slurry samples averaged 170 ppm in November.

VII. Opportunities

Nothing to report.

VIII. Vulnerabilities

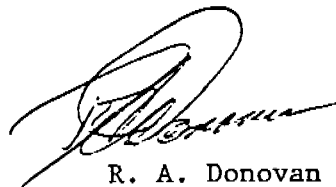
Nothing to report.

IX. Industry Trends

Nothing to report.

X. General Comments

Nothing to report.



R. A. Donovan

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