Monsanto

FROM (NAME & LOCATION): D. Wood-St. Louis-B2SD

DATE: July 13, 1976

cc: R. E. Hatton
J. A. Alley

SUBJECT: AROCLOR 1221

REFERENCE:

TO: C. Paton

Situation

1. We have 3 drums of Aroclor 1221 in inventory.
2. Westinghouse have decided to discontinue use of Aroclor 1221 and will require no further shipments.
3. General Electric may require one further shipment of Aroclor 1221, but have difficulty in deciding what volume to order. They have requested quotes for 20 M, 30 M and 80 M lbs.
4. Minimum manufacturing batch is 10,000 gallons (100,000 lbs.).

Recommendation

1. Quote G. E.

20 M lbs.	$2.85 per lb.
30 M lbs.	2.00 per lb.
80 M lbs.	0.86 per lb.

These prices yield a profit of 30¢ per lb. They reflect our need to cover cost of production and incineration of surplus material.

2. We re-emphasize to G. E. that we do not wish to process Aroclor 1221 again after this run which we are prepared to make as a service to G. E.

Cost data developed by A. Leisy is attached. AEL re-confirmed costs 7/12.

Alternates

1. Advise G. E. we have discontinued Aroclor 1221. Rejected, because when we were developing 1238, we advised G. E. that we would be prepared to make one more run, but warned them of the minimum batch size restraint.

2. Price to generate 40% gross profit.

Rejected, because of need to build a positive cooperative relationship with G. E. to optimize phase-out. Overly aggressive pricing of this batch of Aroclor 1221 could result in a worsened relationship which might cost us many more dollars in the future, than we gain on this transition.

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David Wood

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