****
* SULLIVLA at ISCDCVM3   Friday, January 3, 1992   09:16:04 *
****

From: KEEFERJL--ISCDCVM5   Date and time   01/02/92 17:15:55
To: RANCKJH --HKVAX   J. Hutchison Ranck KRISHNS --INOOH1   Shankar KRISHNAN

From: Jeff Keefer   - KEEFERJL-   EXT 992-4248
Subject: India Credit Terms

SEE FOLLOWING NOTE FROM LAURA SULLIVAN. I HAVE SOME CONCERN ABOUT GOING TO 180 DAY L/C FOR THIS CUSTOMER. AS YOU KNOW THE CORPORATION AND TIO2 BUSINESS HAVE SOME VERY DIFFICULT CASH OBJECTIVES TO MEET IN 1992. EXTENDING LONGER PAYMENT TERMS MAKES THE CASH SITUATION WORSE. IN ADDITION, MY EXPERIENCE IS THAT WHEN YOU MAKE AN EXCEPTION LIKE THIS, EVENTUALLY THE NEW TERMS BECOME THE STANDARD IN THE MARKET OVER TIME. I BELIEVE SETTING A PRECEDENT LIKE THIS IS DANGEROUS. NOT ONLY IS OUR CASH POSITION WORSENED BY THE EXTENSION OF MORE LIBERAL TERMS TO THIS CUSTOMER, WE RUN THE RISK OF TAKING AN EVEN LARGER CASH FLOW PENALTY AS MORE CUSTOMERS ARE EXTENDED THESE TYPES OF TERMS.

I WOULD LIKE TO HEAR MORE FROM YOU ABOUT WHY WE SHOULD EXTEND THESE TERMS. FOLLOWING ARE A FEW QUESTIONS THAT COME IMMEDIATELY TO MIND:

1. HOW LONG HAVE WE DONE BUSINESS WITH THIS CUSTOMER. ARE THEY STRATEGIC? ARE THEY A COMMITTED CUSTOMER?

2. WHAT IS THE EXACT NATURE OF THE COMPETITIVE SITUATION?

3. WHAT ARE THE ALTERNATIVES TO EXTENDING THESE MORE LIBERAL TERMS?

4. WHAT IS YOUR THINKING WITH RESPECT TO THE REST OF THE MARKET? WHAT IS THE RISK OR PROBABILITY THAT THE WHOLE MARKET WILL MOVE TO THESE TERMS? WHAT CAN BE DONE TO PREVENT THIS FROM HAPPENING?

THANKS FOR YOUR INPUT.

JEFF

*** Forwarding note from SULLIVLA--ISCDCVM3 01/02/92 16:38 ***
To: KEEFERJL--ISCDCVM5 Jeffrey L. Keefer

From: Laura A. Sullivan   Concord Plaza, Read
      MLS, International Customer Rep.   Phone: 302-695-5385
      Fax:302-695-6012   Telex: 650-3921041 MCIUW
Subject: India Credit Terms

Hello Jeff -

I am the International Customer Representative for TiO2 to India. Per my previous message concerning 180 days l/c, Jim Seaholm of Finance has given is approval to accept Premier Vinyl Flooring's order under this term. Normal payment term for India is sight draft letter of credit. We have been making exceptions on a case by case basis. Please advise if you approve accepting 180 days l/c for Premier Vinyl order for 15MT.

Thank you and welcome!

cc: SEAHOLJF--ISCDCVM1 James F. Seaholm   BOWENCM --ISCDCVM1 Christine M. Bowen
    LUNDQUDM--ISCDCVM5 David M. Lundquist

N36460