B2SC G. F. Fague

October 17, 1972 C. Paton

Crown Zellerbach
Camas, Washington
S-69 on subject company

1800
D. R. HANSEN

Doug, as I mentioned to you on the phone, I must reject your request for a price revision on subject account. The reasons I mentioned to you include the fact that Geneva or any other biphenyl producer cannot produce biphenyl pure enough to cover FDA requirements for citrus wrap. Also, all verbal discussions with Crown Zellerbach have referred to a 1¢ differential between bulk and truckload. They will realize a .73¢/lb. savings by going to bulk even though freight rates will be higher. Thus, they stand to save almost $6,000 per year.

Doug, I know this decision does not set well with you but please understand that we have been trying intently to get biphenyl prices up in the marketplace. For some reason we have allowed customers to talk us into lower prices through the years where they were not warranted. We are faced now with rectifying that situation and do not want our position to deteriorate at other accounts. Since we essentially have no competition at citrus wrap accounts, I hesitate to break price.

If, after talking to the customer, it is your judgement that a large amount of business is being jeopardized by this decision, then let's discuss the situation again. In the meantime, I am pursuing getting even lower freight rates for them on molten biphenyl.

Regards,

G. F. Fague

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Attachment

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