J. R. Savage - General Office

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TOXICOLOGICAL EXPENSE - 1972

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The toxicological accounts were set up to allow centralized management of the "start-up" expenses involved in reacting to the PCB problem with costs dropping out of that category as they became routine. By 1972, all of the current programs will be either complete or have become a part of the continuing cost of doing business and no centrd "PCB problem" accounting will be done.

Accordingly, there should be no "Toxicological Expense" entry in 1972 cost standards or cost reports. Any charges continuing after the end of 1971 should remain part of the originating category -- TSD, Lab, etc. All charges associated with PCB's will remain at the originating plant except for work specifically requested by another location with prior agreement as to charges.

This leaves unanswered the question of what to do about our current expenditures above budget. When I get a year-end projection from Anniston, we'll pursue it further.

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