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PRODUCTION DIVISION COST REDUCTION PROGRAM SUMMARY REPORT

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CH-2 REV. 7-80

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E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

Wilmington, Delaware
November 12, 1982

TO: ADDRESSEES

FROM: W. H. MC COY WHM 11/1

COST REDUCTION PROGRAM
1982 - JANUARY THRU SEPTEMBER RESULTS
HIGHLIGHTS

Year-to-date savings through September total $59MM, 113% of the year-end commitment, 78% of year-end goal.

The current estimate of year-end savings is now $83MM, 140% of commitment and 109% of goal.

Only four plants (Beaumont, Fort Hill, Healing Springs, and LaPorte) anticipate a shortfall vs. commitment, all due to having to operate at lower-than-forecast rates or delays of equipment installation.

Sixteen plants are forecasting year-end savings in excess of $1MM. Of these, three will exceed $5MM and two, $10MM.

The following comments are intended to point up where we are having difficulty meeting our commitments and goals and the off-setting highlights -- by exception (generally deviations $> \pm$ $100M).

- Antioch expects to exceed goal by $935M. Use of low-grade ore, (+$165M); reduced labor, (+$100M); and lower-than-forecast energy consumption, (+$720M) more than accounts for the excess.
- Beaumont's expected shortfall vs. commitment (-$114M) is mostly the result of cancelling out their process optimization program (-$180M) to shift manpower to computer interfacing for the new methanol plant.
- Belle will pick up $848M in unforecast "firm" yield savings while losing $680M in forecast "firm" savings from poorer utilization of CO and purchased CO_2 than expected to net out at 112% of commitment.

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- Chambers Works will exceed its $17.3MM goal despite lower-than-anticipated production rates which will cause a shortfall of $2.3MM in ingredient savings. Labor and salary savings will be $7.2MM vs. a goal set at $4.3MM. Energy cost reduction, including return to coal, will exceed a goal of $3.3MM by $0.4MM.

- Cleveland's savings are on target with improved labor and salary savings offsetting shortfalls in ingredient and energy savings caused mostly by lower-than-forecast production rates.

- Deer Park will exceed their year-end commitment of $9.7MM by better than $3MM mostly through improved yield savings (+$4.0) offset by increased waste disposal costs of $1.2MM.

- DeLisle will exceed goal savings of $3.9MM by $2.7MM, $2MM of which will be due to reduced use of outside contracting labor. The remainder is in ingredient savings, most of which ($420M) is reduced chlorine cost and use of Conoco coke ($200M).

- East Chicago will exceed its goal by $602M for a total year-end savings of $1.4MM. The improvement over forecast goal is primarily reduced process engineering manpower ($104M), reduced analytical labor ($130M), and mechanical crew ($122M).

- Edge Moor anticipates savings at $7.5MM, 215% of goal. This improvement is primarily attributable to use of alternate coke sooner than expected (+$780M), pigment recovery (+$646M), reduced substandard material (+$485M) plus reduced wages and salary costs (+$1.4MM) resulting from job consolidation.

- Florida will exceed their goal of $920M by 13% ($120M) despite cutback operation, i.e., 5 day vs. 7 day operation. Labor and salary savings will total $630M vs. a $335M goal (+$295M), more than offsetting some shortfall in the energy category.

- Healing Springs is forecasting year-end savings of $123M vs. a commitment of $245M with the shortfall due to low demand.

- Johnsonville is forecasting their year-end savings at $9.2MM, 158% of goal. Of the $3.4MM difference, $1.8MM is ingredients, $0.9MM is maintenance materials, with the remainder spread over many items. The largest single savings item is $1.7MM in recovered ore feed vs. a goal of $0.3MM. Chlorine price reductions account for more than $0.4MM.

- LaPorte will miss their $2.6MM savings commitment by just $143M or 5%. Essentially all of this is due to delays in project expenditures in the sulfuric acid area with consequent loss of energy savings.

- Memphis is forecast to exceed their commitment of $3.9MM by slightly less than 5%. Reduced savings on ingredients (-$0.653M) and energy (-$0.609M) will be more than made up for by improved savings in labor and salaries (+$769M) and "other" (+$598M) mostly purchasing and freight savings.

- Newark will exceed its goal of $1.3MM by roughly $560M or 43%. Ingredient savings will account for $127M, mostly improved yields. Labor savings will add $256M and maintenance materials, $192M.

- Newport will be on target vs. goal. Greater-than-anticipated labor savings will offset shortfalls in ingredients, maintenance materials, and energy savings.

- Niagara expects to accumulate $2.9MM in savings, 160% of goal. Ingredient savings make up $210M of this $1.1MM differential, the big improvements being in "Teracol" yield and boiler fuel consumption to raise steam. Maintenance savings will exceed goal by $307M. A steam trap program will save an unforecast $180M. "Other" savings are up $355M, made up of a multiplicity of items.

- Repauno reports year-end savings will be $2.8MM vs. a goal of slightly less than $2.0MM. Manpower reductions valued at $1.5MM vs. $0.6MM forecast account for substantially all the difference. Ingredient and energy savings were under forecast due to lower-than-forecast production rates offset by "others".

WHM:lrg

THIRD QUARTER 1982 COST REDUCTION SUMMARY

	9 Months 1982		Annual Rate			
	Realized YTD	% Factory Cost	Committed	Grand Total	Current Estimate	% Factory Cost
Antioch	1457	7.6	679	1151	2086	8.1
Augusta	36		-		73	
Beaumont	700		950	1133	836	
Belle	1443	1.8	1895	3600	2115	2.7
Burnside	9		-	171	63	
Chambers Works	13331	9.5	12427	17339	18390	9.9
Cleveland	1387	5.8	1731	1917	1812	5.8
Deer Park	8004	6.0	9696	15891	12751	9.5
DeLisle	4734	6.7	2987	3872	6575	7.6
East Chicago	985		464	787	1389	
Edge Moor	5217	8.9	2418	3508	7543	9.2
Florida	760	6.0	455	920	1040	5.9
Fort Hill	-	-	13	13	-	-
Fortville	19	1.7	12	12	26	1.7
Grasselli	846	2.2	827	1023	1143	3.0
Healing Springs	49		245	267	123	
James River	-	-	-	-	-	-
Johnsonville	7533	8.2	4051	5812	9194	7.3
LaPorte	1763	3.0	2647	3665	2504	3.2
Memphis	2897	3.0	3974	6501	4158	3.2
Newark	1254	2.9	1092	1291	1857	3.2
Newport	2731	10.0	2304	3805	3845	10.4
Niagara Falls	1485	1.6	875	1829	2922	3.1
Pineville	-	-	-	-	-	-
Repauno	1921	4.5	1671	1970	2817	4.9
Toledo	-	-	52	52	4	
Wurtland	55	0.6	32	36	56	0.7
TOTAL	58522		51497	76563	83063	
ROUNDED	59	3.5	52	76	83	4.9

G-36 REV. 5-77

ENGINEERING COMPUTATION SHEET

SHEET NO

TITLE OF PROJ OR STUDY ______ 699 PROJ OR STUDY NO

SUBJECT ______ WORKS

COMPUTER ______ DATE ______ 19

1982 '81

'82

	Prim	Goal	F	LC
I	312 (306)	2??	30?	150
O.O	134 (200)	163	80	50
OP	(60)	60		12
CPL	(35)	35	6	8

'82

VE 698 · CU

Flow Control

3

11
306
~~240~~
60
35
641

'82

flow 1066

320 goal

300
8 .8mh

1090

USE STANDARDS FOR MINIMUM ESSENTIAL INSTALLATIONS

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N 26470.03