TNC/WJC -
FYI, given to Paul to pass on to marketing
Gary

GIVEN: ELIMINATION OF A-1242 CM BUSINESS TO PROVIDE FOR MCS-1238 CAPACITY

PROBLEM: Most Suitable CM Replacement Product

PROPOSALS:

A. Switch all CM business to "1016 CM"

Switch all A13B3B-3 to 70/30 or have -3 customers take A-1254 as is.

B. Switch all CM business to 70/30

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DSW 294936

STLCOPCB4065451

BACKGROUND

ANNUAL PRODUCTION (M LBS)

	Ind. 1975	1974	1973	1972	4 Yr Avg.	1976 Budget
Aroclor 1016	13,797	25,081	27,156	22,333	22,092	20,617
Aroclor 1242	6,825	6,921	6,038	7,227	6,753	5,286
Aroclor 1254	9,305	8,026	8,864	9,169	8,841	7,390
Inerteen 1242 CM	7,017	6,769	5,857	5,671	6,328	5,233
Pyranol A13B3B	1,456	2,138	1,559	2,206	1,840	1,645
Inerteen 70/30	7,988	6,775	6,774	7,070	7,152	5,920

BASIS:

Aroclor 1016 bottoms are 25% of 1016 production.

Aroclor 1016 bottoms conv. factor 1.035 lbs 1254/lb bottoms

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PROPOSAL A

CALCULATIONS:

(1) 1976 budgeted 1016 + CM = 25,850M lbs.

(2) (1)x 0.25 = 6,462M lbs bottoms

(3) (2)x 1.035 = 6,689M lbs 1254 from bottoms

(4) 1976 budgeted 1254 = 7,390M lbs; bottoms account for 90.5% of the 1254.

Advantages:

1. Better mix tank utilization
2. Only slight increase in A-1254 requirements (70/30 vs. -3).
3. Good split on bottoms vs. 1254
4. No net TCB increase (t/c spot usage @ Track 11) selling more Aroclor & less TCB

Disadvantages:

1. Dissolving -3 business and introducing a new product (1016 CM)
2. GE acceptance to epoxide scavanger in 70/30.

Risks:

1. Imbalance on bottoms (1254 to below 6,689M lbs; or 1016/CM 28,560M)
2. 1016 CM suitability to Westinghouse.

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PROPOSAL B

CALCULATIONS:

(1) 1976 budget CM as 70/30 = 5,233M lbs x 0.70 = 3,663M lbs. additional 1254

(2) 1976 budgeted 1254 + (1)= 7,390M lbs + 3,663M lbs = 11,053M lbs 1254 total

(3) 1976 budgeted 1016 x 0.25 = 20,617 x 0.25 = 5,154M lbs residue

(4) (3) x 1.035 = 5,334M lbs 1254 from bottoms

(5) (4) ÷ (2) = 48% of 1254 made from bottoms

(6) 1976 total 70/30 requirements equal budgeted 70/30 + CM = 11,153M lbs 70/30

(7) (6) x 0.30 = 3,346M lbs TCB

Advantages:

1. No further elimination of existing products (-3), or creation of new ones (1016 CM).

2. Little risk of bottoms imbalance.

Disadvantages:

1. Increase in 1254 requirements,(i.e. need for another batch chlorinator; 3rd shift on stills.)

2. Increase in TCB requirements (36 T/C's vs. 27 T/C's on Track 11).

3. Poor mix tank utilization

Risks:

1. Record 1254 and 70/30 productions.

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