H. C. Carder - General Offices

May 16, 1967

Aroclor Capacity vs. Demand

G. R. Buchanan - GBUCH
P. E. Heisler - KRUMMRICH
W. B. Papageorge - ANNISTON
R. P. Stevens - RSTEV
H. L. Williams - ANNISTON
W. J. Wilson - KRUMMRICH

Messrs. L. C. Fuhrmeister - ANNISTON
J. W. Molloy - KRUMMRICH

As you know, we reviewed the question of aroclor capacity vs. demand on May 10, 1967 and developed a plan to protect ourselves until additional capacity is available. In general, this plan is as follows:

1. Operate both Anniston and Krummrich at absolutely a maximum rate.

2. Absorb any finished goods that are temporarily in excess of demand in storage. To implement this phase, specifically we will store electrical grade 1242 in five tank cars above and beyond our present fleet; maintain a minimum inventory of export grade electrical aroclor of 500 drums each of 1242 and 1254 at Anniston; maintain a minimum of 100 drums each of electrical grade export quality 1242 and 1254 at Krummrich as back-up inventory.

This inventory plan will require increasing our finished goods inventory by about $100,000 and spending about $1,000 per month for additional tank cars.

In order to increase capacity short-term, we will look at the possibility of installing a still preheater and improving flexibility of operation at WGK. At Anniston, we will expedite the completion of the project on the aroclor still, and evaluate the installation of a still preheater and aggressively pursue determining the capacity of the continuous line. Please give me a preliminary report from your respective locations by June 1st indicating your initial evaluation concerning these suggestions.

In the area of additional short-term storage, we should look at the possibility of a separate project for storage at WGK that can be processed rapidly.

Homer C. Carder

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