Mr. W. B. Papageorge - General Offices

July 7, 1971

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Environmental Control Costs

Howard D. Harmon

Regarding environmental control costs relating to those activities that are expensed as SARE, I do not propose that any new cost centers be established.

Excluding manufacturing related costs which Paul Hodges will review, environmental control costs would include activities by the Central Staff Departments, such as Medical, Public Relations, Legal, Engineering, as well as those costs generated within our own Division by Sales, Commercial Development and Research.

Ideally all environmental costs should be identified in such a manner that retrieval is easy and summaries could be prepared by product, product group, or total division further defined by function.

I suspect that our present system makes retrieval very difficult and that Central Staff Department cost breakdown is non-existent. I suggest that no attempt be made to pinpoint Central Staff Department costs but to recort to estimates from these departments on a selective need basis.

Activities generating environmentally related costs within the Division would include studies of effects on animals, biodegradability studies, development of analytical methodologies, assistance to customers and administration. Except for the analytical studies which are totally Research, all functions within a Business Group can be sources of environmental costs which result from these activities.

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