

INTER-OFFICE CORRESPONDENCE

To MR. R. F. GERVAIS
NAME LOCATION
Date AUGUST 27, 1981
From J. R. HOPPER
NAME LOCATION
Subject SUMMARY OF SHELL VISIT TO POTTSTOWN

*Shell - Houston
Contract*

**Hooker
Chemical**
PLASTICS DIVISION

Copy to: Mr. J. J. McCoskey
Mr. J. F. Knight
Mr. D. W. Calhoun - Houston

Messrs. George Ash and Bob Weigle, Shell Corporate Account Managers, visited Pottstown 8/26/81 and met with J. R. Hopper and J. F. Knight. Major topics discussed were:

1. PVC/VCM general market conditions are presently very depressed with various pressures resisting any price increases. To date their official position is that VCM will increase \$.02/lb. on 9/1/81 moving our tolling fee from \$.173 to \$.188/lb. However, should the price not increase they would remain competitive and be responsive to general market conditions.
2. If the 9/1/81 price increase holds, they offered (as a volume incentive) to apply the present \$.173/lb. conversion fee to any quantity over 26 mm lbs. per month for domestic or export.
3. A low key discussion of actual quantities being taken below minimum contract levels revealed that Shell understands it is the general economic conditions (not us substituting other VCM for theirs) that could create a possible year end shortfall. Should it occur, they were doubtful that Shell would enforce their performance penalty clause.

J. R. Hopper
J. R. Hopper ✓

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