

INTER-OFFICE COMMUNICATION

INTERMEDIATES DIVISION - HOUSTON

(RES-68-72M)

DATE FEBRUARY 22, 1972

TO: INTERMEDIATES DIVISION - HOUSTON

FOR: MR. R. M. PATEV

FROM: MR. R. E. SIMMONS

RE: VCM AVAILABILITY

CC: MR. D. R. KECK
MR. R. J. MILLER
MR. F. X. RITTER
MR. G. I. ROZAND
MR. B. RUPP

During the recent crisis in meeting VCM shipments to Burlington and Flemington, caused by the sudden shutdown of Shell's plant, we surveyed the availability of VCM from coproducers.

DOW

Dow has available VCM for prompt shipment and indicated the availability of 4/5 MM lbs/mo during 1972. Mr. Larry Rice said that Dow is maintaining a spot price of 4.25¢/lb f.o.b. Gulf Coast.

BFG

Mr. Jim Wolff indicated the ability to make prompt shipment of VCM and also indicated the ability to supply 50 MM lbs of VCM during 1972 on a ratable basis. BFG is maintaining a spot price of 4.56¢/lb f.o.b. Calvert City. However, if Tenneco were to purchase about 25 MM lbs, BFG's price would be 4.25¢/lb f.o.b. Calvert City. It should be noted that BFG has a rate from Calvert City to Burlington of 66¢/CWT. This is 11¢/CWT cheaper than our present volume rate of 77¢/CWT for jumbo cars and 21¢/CWT cheaper than our current rate of 87¢/CWT for small cars.

ETHYL

Mr. Bill Brydon indicated that Ethyl has spot and contract VCM available. Ethyl's current spot price is 4.15¢/lb f.o.b. Baton Rouge.

CONOCO

Mr. Mark Thomaes said that Conoco's plant is currently down for turnaround and they will not have any VCM available until March. Conoco will have available 50 MM lbs of VCM during 1972, and they are discussing with their lawyers what they can do about their FTC restraint. Under the FTC ruling, Conoco is not allowed to sell VCM for less than 4.5¢/lb unless they reduce the price to their current customers. Conoco is investigating the possibility of selling VCM for about 4.1¢/lb and will advise us of their decision.

SHELL

Mr. Chick Scogin has advised us that Shell will have available an additional 50 MM lbs during 1972. As this would fall in the second increment of our Shell Contract, we would only pay 4.06¢/lb for this VCM.

ALLIED

Allied has sold us 2 MM lbs of VCM at the spot price of 4.15¢/lb. Fred Boehm has indicated the availability of additional monomer during 1972.

000000