Monsanto

FROM (NAME & LOCATION) W.J. Gissendanner - General Office

DATE October 27, 1969 CC

SUBJECT Competitive Biphenyl/Arocior Threat

REFERENCE

CONFIDENTIAL

TO :

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In recent weeks, Mack Nichols and Fred Sturm have seen samples of high quality competitive biphenyl circulating among our customers, including Dow, duPont, and several dye carrier manufacturers in the Southeast. This week we encountered the first TL quantities shipped to Burlington Industries at Monticello, Arkansas.

Through Fred Sturm we were able to obtain two samples of the competitive material, which Gerry Miller analyzed at Anniston. They assayed at 99.10% and 99.88% respectively, by far the best we've seen.

This material has been traced to Geneva Industries of Houston, Texas, which sells through agents such as Archem and Chemical Exchange. It is higher in quality than the material offered by Chemol and Tannatex, which are recovered Dow sidestreams, and assay around 96% biphenyl.

At our request, Roy Sullivan and Bill Morlock visited Geneva to gauge their operation as well as possible. They visited with Mr. Greg Hughes, production manager, an ex-employee of Shell Chemical.

Highlights of their report are as follows:

1. The President of Geneva is Malcolm H. Colditz, who like Hughes is an ex-Shell employee. A new man in the organization is Arnold Williams.

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2. According to Hughes, he and Colditz had backgrounds of chlorination technology with Shell.

3. Hughes reported to Morlock that Geneva was ultimatly much more interested in biphenyl derivatives than in biphenyl per se.

4. Geneva has been in operation for 3 years, but is just getting started with biphenyl production.

5. Their feedstocks come from Hydeal units in the Houston area. (From another source we have heard that their present feedstock comes from Dow's unit at Freeport, Texas.)

6. The plant appears to be new and modern with 6 columns and ample room for expansion. According to Hughes, Geneva is capable of "hot tube synthesis". The facility appears to have sizeable bulk storage capacity.

From our encounters in the marketplace, we know that:

1. Geneva has a firm order from Burlington Industries at 15.3¢ TL bags delivered at Monticello, Ark., for the balance of 1969 (compared with our price of 16.75¢ FOB Anniston).

2. Other price quotes have been 13.0¢ FOB Houston, 14.5¢ freight equalized with Anniston for bulk, and 16.0¢ delivered for TL bags. All are substantially below our schedule of 14.75¢ bulk and 16.75¢ TL bags, FOB Anniston; and Tannatex price of 15.75¢ FOB Lyndhurst, N.J., or 16.3¢ delivered in the Southeast for TL bags. The different price quotes arise from the fact that different sales agents are involved.

We're sure that we have a serious biphenyl competitor on our hands, and a potentially serious Aroclor competitor.

Bill

W.J. GISSENDANNER

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