From JJB
10-5-72

PCB/PCT
OBSOLESCENCE AND UNUSUAL EXPENSES- SPENT & FORECAST

I	Obsolescence Reserve		$ 2700M
	Retirement Request	$2044M	
	Less 5 mo. depr. (thru Oct.)	179M	
	Sale of Equipment	16M	
	Expected Retirement Loss		$1849M
	Change from forecast		$ 851M
	Reasons:		
	Transfer of equipment	$ 476M	
	Added Equipment sales	19M	
	Lower Dismantling	145M	
	Change from est. Retirement Data	180M	
	Service items deleted	31M	

Settle claims

Recommendation - Return $750M to income

Retain $1950M in reserve to cover forecast costs plus $100M contingency for dismantling.

Obtain permission to retire in place in 1972 to allow time to maximize sale & use of idled equipment and minimize dismantling costs, yet bring corp. books in line with the business facts that PCB/PCT was terminated in 1972.

II	Other unusual expenditures and expected expenditures:		
	Reserve Established		$ 1000M
	Spent on disposing of & closing out PCB/PCT 8 mo. 1972	$ 557M	
	Estimated for balance of 1972 USA	685M	
	Estimated for balance of 1972 Ex-USA	200M	
	Total through 1972		1442M
	Reserve shortage for 1972		$ 442M
III	Estimated claims after 1/1/73		$ 985M
	Premium for 1973		$ 252M

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