Monsanto

FROM : Mr. J. R. Savage - General Office

DATE : May 20, 1970

SUBJECT :

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TO : Mr. R. M. Mountz
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The location of the biodegradable 1242 fractionator will tend to fix our manufacturing strategy for some time. The following considerations seem important:

1. Chlorine logistics. The Division's surplus of chlorine, and the drastically lower freight rate from Point Comfort to WGK vs Point Comfort to Anniston, favor making higher Aroclors (i.e. 1260) at WGK.

2. Biphenyl logistics. Obviously, biphenyl costs more at WGK. This gives Anniston some advantage on lower Aroclors (i.e. 1242).

3. Finished goods logistics. Except for Rome, Georgia, there is no obvious choice, although I understand previous studies have shown an advantage to Anniston on capacitor business.

4. Storage tanks. Our departure from Aroclor-Plasticizer business will free up 1262 storage at Anniston and possibly 1248 storage at both plants. This eliminates our original reason for terminating 1260 production at Anniston.

5. Fractions Utilization. Still boildown at WGK, and trapping at Anniston are both disposed of by chlorination to higher levels. Thus both plants need a "higher Aroclor" business and would thus have the same outlet for fractions.

6. Total capacity. Neither location can supply the total Aroclor requirement. On the other hand, to conserve capital, we should initially equip only one plant for 1242B. Thus 1260 should go to the other.

The following tentative strategy emerges:

Build the fractionator at Anniston. All Anniston 1242 is fractionated. Size for near-term, in-hand requirements only. When more capacity is needed, build a second fractionator at WGK. Keep most of 1260 requirement at WGK, but make enough at Anniston to dispose of fractions and trappings. Ship Anniston 1260 to Rome (quality must be checked). Try to fill WGK occupancy (and use chlorine) with TCB and TTCB.

Herb Day will evaluate the three logistical considerations. (A sketch is attached). We can then finalize a decision.

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Attachment

J. R. Savage

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