

TENNECO CHEMICALS, INC.

A Major Component of Tenneco Inc.



TENNECO HYDROCARBON CHEMICALS DIVISION

P. O. Box 2511
Houston, Texas 77001

November 16, 1971
(RES-492-71CD)

Mr. Lloyd C. Bell
Regional Sales Representative
PPG Industries
1201 Bank of Commerce Building
Houston, Texas 77002

Dear Lloyd:

I enjoyed meeting with you and John Kornfeld on November 8 to discuss the several items on vinyl chloride monomer that we have not yet resolved. As I indicated, Tenneco is still interested in the possibility of shipping monomer by tank truck and/or tank car from your Paulsboro terminal to our PVC plants at Burlington and Flemington, New Jersey. This would involve an exchange whereby Tenneco would ship an equivalent amount of VCM for PPG from Tenneco's plant at Pasadena, Texas.

Mr. Fred Moulton, in his letter dated June 3, 1971 (attached), outlined the advantages and basic mechanics of an exchange agreement concerning the use of the Paulsboro terminal. Mr. Moulton in Item 1 on Page 2 stated that PPG would charge Tenneco a "terminaling and transportation fee, not to exceed the then applicable tariff for 75,000 tons/yr volume in 250,000 lb tank cars." In our discussions with Mr. Moulton, he had indicated that PPG was interested in shipping about 50 MM lbs/yr from Tenneco's plant at Pasadena which would then allow Tenneco to ship an equivalent quantity of VCM from your Paulsboro terminal.

Tenneco is interested in making this exchange with PPG, which would allow us to ship VCM from your Paulsboro terminal. Would you please advise us as soon as possible if PPG is still interested in swapping 50 MM lbs of VCM commencing during 1972. As outlined in Mr. Moulton's letter, the total transportation and terminaling fee should not exceed the published volume freight rate applicable at time of shipment for 250,000 lb tank cars.

We have recently been successful in obtaining a reduced volume freight rate for shipments to Burlington and Flemington, New Jersey, for a minimum volume of 60,000 tons/yr. It is my understanding that the

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"terminaling and transportation" fee would include all costs associated with shipments out of your Paulsboro terminal, plus any truck or rail freight costs involved.

Very truly yours,

INTERMEDIATES DIVISION

R. E. Simmons
Assistant Manager of Marketing

RES:jem

Attachment

bcc: Mr. Joe Fath

Mr. Frank Ritter

Mr. D. R. Keck

Mr. R. M. Pate✓

Mr. E. R. Parker/Mr. B. R. Yohe

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