NOVEMBER 11, 1974

cc: W.C. ENGMAN
G.L. JOHNSON
A.E. LEISY

SUBJECT: ECONOMIC EVALUATION OF VARIOUS PROPOSALS TO MINIMIZE OR ELIMINATE AROCLOR 1254 SALES

TO: J.R. SAVAGE
GENERAL OFFICE
B 2 5L

Included are the evaluations you requested. You may compare the estimated production costs with our 1975 standard bracket 2.

Arolor 1016 - 18.747 ¢/LB
Arolor 1242 - 19.641 ¢/LB
Arolor 1254 18.80 ¢/LB

Prices

Estimated production costs were made for seven different cases. Raw material prices used are from the revised 1975 cost standard (10/17¢). Hydrogen (from our products) and caustic price assumed as $1.10/LB and $0.04/LB. The time 5.75¢/LB was used for chlorine and 18.716¢/LB was assumed for biphenyl.

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(It could have used hydrogen for De Pere. Hydrogen price would have been $0.39343/LB.)

Sales

The following sales forcast for 1975 was assumed: (#4 Report. 6/29/74)

A-1242	6480 M LBS
A-1254	9286 M LBS
A-1016	28764 M LBS

Disposition of A-1254

PYRANOL	A-13B3B-3	-1670 M LBS
INERTEEN	70/30	6972 M LBS
PYRANOL	A-13B1	3036 M LBS
AROCLOR	1254	300 M LBS

Cases:

The various cases are presented in chart form. Also flow charts and selected product cost standards are given. Most of the directs were extracted from the new cost standards and previous cost information for disposal of Mono residue.

Kenneth E. Boucher
T.S.P.

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CASE	DESCRIPTION	ASSUMPTIONS	SALES/YR A-1016	SALES/YR OTHER		PRICE/CWT 1016	PRICE/CWT 1242	PRICE/CWT 1248	PRICE/CWT 7254
III	INDUSTRY SWITCHES TO A-1216 WESTINGHOUSE GOES TO A-1216	7 DAY/WK SCHEDULE ON ANOCLOR COLUMN HYDROCHLORINATION NEW CAP'S	47.2M		R	20.084			
					D	2.772			
					I	1.367			
		1.1M			T	24.223			
VII	ALL EIGHTEEN 70-30, A23B3B-3 AND A-1254 SWITCHED TO A-1248	CAN SELL TWO DIFFERENT A-1248 ONE NORMAL AND OTHER FROM RESIDUE STILL BOTTOMS	28.8M	12.0M (1248) 6.5M (1242)	R	16.627	16.441	15.674	
					D	2.523	7.753	4.133	
					I	0.806	3.883	2.101	
					T	19.956	28.077	21.908	
VIII	A-1054 SALES SWITCHED TO A-1248 AND 70-30/ A13B3B-3 SWITCHED TO 80/20 A-1248/TCB BLEND	CALL SELL TWO DIFFERENT A-1248's	28.8M	10.250M (1248) 6.5M (1242)	R	16.627		15.674	
					D	2.523		4.829	
					I	0.806		2.455	
					T	19.956		22.956	

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CASE	DESCRIPTION	ASSUMPTIONS	SALES/YR 1016	SALES/YR OTHER		PRICE/CWT 1016	PRICE/CWT 1242	PRICE/CWT 1248	PRICE/CWT 1254
I.	3 MM #/YR 1254 SALES SWITCHED TO A-1016	STILL RESIDUE RECOVERED BY HYDROCHLORINATION NEW CAP $ 1.1 MM	31.8 MM	6.3 MM (1254) 6.5 MM (1242)	R	17.651	16.441		15.600
					D	2.510	3.910		3.910
					I	1.240	1.972		1.972
					T	21.401	22.329		21.544
II.	ALL 1254 SALES SWITCHED TO A-1016	7 DAY/WK SCHEDULE FOR AROCLOR COLUMN HYDROCHLORINATION OF RESIDUE NEW CAP $ 1.1 MM	38.1 MM	6.5 MM (1242)	R	20.084	16.441		
					D	2.352	7.753		
					I	1.082	3.606		
					T	23.518	27.800		
III.	50% OF INERTEEN 70-30 SWITCHED TO A-1016	HYDROCHLORINATION OF STILL RESIDUE NEW CAPITAL $ 1.1 MM	32.3 MM	6.8 MM (1254) 6.5 MM (1242)	R	17.177	16.441		15.600
					D	2.471	3.738		3.738
					I	1.221	1.885		1.885
					T	20.869	22.064		21.223
IV.	ALL A13B3B-3 SALES SWITCH TO A-1016	NO HYDROCHLORINATION	30.4 MM	8.3 MM (1254) 6.5 MM (1242)	R	16.627	16.441		15.600
					D	2.318	4.303		4.303
					I	0.806	1.705		1.705
					T	19.748	22.449		21.608
II	INDUSTRY SWITCHES TO A-1016 REQUEST OF C. PATOH	CASE SAME AS II ASSUMING 1242 SALES CONTINUES							

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