

*115-
-FTI DISC
CARD 3*

TO See Distribution

AT

DATE May 24, 1974

FROM S. N. Cincotta

AT Piscataway

COPY TO

SUBJECT PASADENA PLANT
DISTRIBUTION/ACCOUNTING
File 338

45030

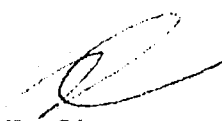
Please refer to previous correspondence dated January 21st relative the above subject. The following are changes in our current system which were agreed upon on Thursday, May 23rd during a meeting convened in Al Greif's office.

1. Effective July 1, 1974, the Pasadena location will no longer process freight bills for payment through the Cass Bank plan. Mr. DelBello will arrange for the payment of all freight accounts associated with Pasadena at the Pasadena location. Mr. VanDusen will notify Cass of this desired change. Mr. Allen will insure that adequate supplies of bills of lading are available to Mr. Yohe not of the Cass Bank plan type. *DEF*
 2. The Pasadena location will continue to pay all VCM freight bills on movements of monomer from Shell, Dow and Pasadena.
 3. Mr. DelBello was made aware of the pipeline logistics plan for monomer between Shell-Deer Park and Tenneco-Pasadena. The VCM pipeline is expected to become operative during the first week in June. It is Tenneco's intention to fully utilize this pipeline prior to T.O.P. PVC plant start up in Pasadena. The entire amount of the Deer Park allotment to Tenneco will be transferred to the Pasadena operation via pipeline and redistributed from this point to Burlington, Flemington and/or tollers (including export). Even after Tenneco plant start up in Pasadena should Shell elect to transfer monomer to Pasadena at rates in excess of the Pasadena requirement this full allocation will come via the pipeline and be redistributed to Burlington and Flemington as required.
- Mr. DelBello pointed out certain control difficulties associated with the flow of monomer via the pipeline to Tenneco spheres. Tenneco production flowing to the same spheres will have to be metered to guarantee precise measurements. An in depth review of the pipeline billing procedure with Shell is to be undertaken by Mr. DelBello.
4. Freight Claims: it was agreed that all freight claims both for loss and damage and overcharge will be processed in Piscataway specifically by Mr. LaPointe. On January 28th, Mr. LaPointe wrote the attached letter which included transmittal format which is adopted and will be utilized by Mr. Yohe. All background paperwork relating to loss and damage and overcharge claims are to be collected in Pasadena by Mr. Yohe's group and transmitted to Mr. LaPointe for claim submittal and claims register reporting to the financial group.
 5. Tank car and hopper car mileage credits: effective immediately, Pasadena may discontinue its current practice of auditing all debits and credits on monomer, methanol and other tank cars related to the Pasadena operation. This will include the hopper cars to be placed in PVC service. The Distribution Department in Piscataway will receive all debits and credits for the entire

T.O.P. rail car fleet, maintain the necessary records to insure the correct payment of all debits including credit for shopped time, etc. Mr. Allen's group will also maintain the necessary trip records to insure that all mileage is collected. The only records to be retained by Mr. Yohe are the trip records on all tank car and hopper cars assigned to the Pasadena location. These records will serve as informational sources for plant operation by way of locating cars for production planning and shipping purposes. Mr. Yohe's reports relating to the efficiency of the monomer fleet can be discontinued.

6. All accounting accruals for tank cars and claims will be reversed by Pasadena in accordance with guidelines prescribed by Al Greif. It will no longer be our purpose to accrue for estimated tank car and hopper car mileages for the current month nor is it our intention to establish accruals on freight claims at the time of claim filing.

7. Mr. DelBello raised the question of patronage allowances with North American. This matter will be discussed in Piscataway between Mr. DelBello and the writer and handled to the proper conclusion.



S. N. Cincotta

/ns

DISTRIBUTION

J. E. Allen
K. Decker
R. DelBello ✓
A. C. Greif
G. A. LaPointe
R. McCoy
R. J. Miller
M. Schonberger
D. VanDusen
B. R. Yohe