



TENNECO POLYMERS, INC.

(COMPANY)

INTEROFFICE COMMUNICATION

TO:
FOR: F. Koslosky
FROM: R. R. Neugold
RE: HIGHLIGHTS OF MARCH - 1985

DATE: April 2, 1985

CC: H. R. Bowers
G. E. Disch
D. M. Hersh
W. Miringoff
C. Tabata

I. SAFETY

	<u>Month</u>	<u>Y-T-D</u>	<u>Goal Total Year</u>	<u>Incidence Rate Y-T-D</u>	<u>Incidence Goal</u>
First Aids	0	4	24	6.3	9.3
Minor	0	0	2	0	.8
RWA	2	3	4	4.7	1.6
Lost Time	0	0	1	0	0.4
Total Recordables	2	3	7	4.7	2.7

Goals are based on: 516,000 man-hours in 1985
Total man-hours for March, 1985: 41,649
Total man-hours YTD: 126,978
Last lost time injury occurred on: 3/2/84
Total man-hours since last lost time injury: 519,869
Total days since last lost time injury: 394

1. The Compound Area suffered a RWA accident when a mixer operator slipped on a plasticizer wet spot on the floor and struck his head.
2. The Resin Dispersion Area suffered a RWA accident when a GSO twisted his ankle when descending from the palletizing area to the bagging area.
3. The Plant Safety Council met on 3/20/85.
4. The monthly safety topics were: the Lead Standard 1910.1025 in the Compound Area and auto seat belt safety in the Resin Area.
5. The Labor/Management safety tours were conducted on 3/7/85 in Resin and 3/28/85 in Compound.

TEN-FLEM 20010

TEN 4710

II. STATISTICS

- A. Burlington Site - Attachment I
- B. Burlington Site Production Loss Report - Attachment II
- C. Burlington Site Quality - Attachment III
- D. Burlington Site Headcount - Attachment IV

III. PERSONNEL

- 1. A third step grievance and communications meeting was held with Compound on 3/8/85, with no unusual developments.
- 2. The Union President for Compound resigned his office effective 3/29/85, and Mr. R. Smigocki was appointed to replace him.
- 3. A third step Resin Union Committee meeting was held on 3/14/85. A total of five (5) grievances relating to overtime assignment, overtime pay, and vacation work schedules were heard.
- 4. A total of 42 employees volunteered for the 1985 Tenneco Polymers Red Cross Blood Drive.
- 5. Discussions were held with both Union Committees to update overtime procedures.
- 6. Mr. Harris visited the Houston office to discuss salaried and hourly benefit plans.

7. GRIEVANCES

	<u>Month</u>	<u>Year-To-Date</u>
Resin	3	7
Compound	4	7

IV. COSTS

The March costs were impacted by self-imposed production restrictions to adjust downward Dispersion and Compound inventories.

- 1. Suspension resin had a variable cost of \$0.0012/lb. less than the budget at \$0.0515. Fixed costs were \$30M above budget at \$519M.
- 2. Dispersion resin had a variable cost of \$0.0053/lb. above budget at \$0.0937/lb. Fixed costs were \$36M above budget at \$539M.
- 3. Compound variable cost was \$0.0028/lb. more than budget at \$0.1848/lb. Fixed costs were \$1M under budget at \$422M.

V. MAJOR PROJECTS AND ON-GOING PROGRAMS

1. A Homopolymer reactor replacement start-up planning meeting was held on 3/21/85 to indoctrinate supervision on the equipment modification and the operating plan.
2. An initial meeting with PSE&G was held to determine PSE&G costs to deliver gas purchased outside of New Jersey to the Burlington Plant. Their proposed tariff is being evaluated.
3. The 10MM lb. slurry magnet operation was improved by enlarging the drain line size to 1½" with a resultant improvement in the visual contamination.
4. A failure in the phenol add system to the copolymer final condensers #1 and #2 resulted in pluggage due to lack of inhibitor. Now back to normal.
5. Dispersion ran "B" Plant only the last seven (7) days of March to limit inventory and minimize overtime for absentee coverage.
6. Experienced four (4) seal failures on blending resin reactors.
7. A reduction in batch size of Methocel copolymer has been successful in eliminating rupture disk port pluggage problems.

VI. CAPITAL PROJECTS

1. The reactor replacement pipe and electrical work is proceeding. The three (3) specially inspected reactors should arrive in April. Looking for completion of project late in June.
2. The sludge dewatering piping and electrical work is well underway. Looking for early May start-up.
3. Spill containment and well water project now anticipating April completion for use on both.
4. The tower top entry cleaning is being tested. Looking for final completion in April.

VII. ENVIRONMENTAL

1. R. F. Weston completed the treatability study for ammonia. Anticipate receipt of final report in April.
2. The VCM spill alarm was activated on 3/7/85 when pluggage in the "A" homo system caused a minor discharge from the pipeline to the tower being charged. There was no personnel exposure.
3. The VCM spill alarm sounded on 3/8/85 when a rupture disk and relief valve operated at an apparently normal operating condition. There was no exposure. NJDEP was advised.

4. Effluent treatment water data available indicates full compliance.
5. The landfill operation of sludge and dragout was terminated on 3/15/85. Still searching for landfill or incinerator capability for solids being generated.
6. All NESHAP sampling was in compliance.
7. Mr. Kanzler inspected the Keystone Cement operation in Bethlehem, Pa., to review their equipment and practice for thermal destruction of flammable hazardous waste.
8. A NJDEP Hazardous Waste inspector contacted the plant on 3/29/85 in response to a neighbor's complaint re two drums. They were empty and near well #10.

VIII. OPPORTUNITIES

1. The Compound Plant continues to operate at better than standard production volume throughput levels.
2. American Metal Moulding, a Compound customer, entertained key plant staff to display their pleasure with our attention to their business.
3. The Quality Strategy workshop should benefit the plant with better customer acceptance where needed at better cost performance.

IX. VULNERABILITIES

1. The plant is still searching for a disposal site for our waste treatment plant sludge.
2. The Conrail performance is still below par with weekly missed cars and missed drills.
3. The plant is still experiencing more than historical long-term absences in the Resin Area. The trend appears to be improving, however.

X. INDUSTRY TRENDS

1. CBS is relatively unchanged.

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XI. GENERAL

1. On 3/25/85, the writer gave initial pretrial deposition in the Ferrara vs Tenneco Chemicals suit.
2. The plant was designated by the N.J. State Safety Council for an Industry Award for its 1984 performance.
3. Mr. Wunder and the writer met with Mr. Walt Corter, Burlington Township Public Safety Director, and Mr. Bob Ent, Deputy Fire Chief, as required by RCRA. We plan to have a fire department familiarization plant tour in May.


R. R. Neugold

RRN:pjd

Attchs.

HIGHLIGHTS OF MARCH, 1985

II. STATISTICS

PRODUCTION (M LBS.)		MONTH		YEAR-TO-DATE		NEXT MONTH EST.
		ACTUAL	BUDGET	ACTUAL	BUDGET	
Combined Suspension	<u>M Lbs.</u>	4.925	4.700	13.951	13.400	4.700
*Variable Cost Est.	<u>(\$/lb.)</u>	0.0515	0.0527	0.0529	0.0527	0.0486
Fixed Cost Est.	<u>(\$M)</u>	519.0	489.0	1425.0	1466.0	519.0
Conversion Cost Est.	<u>(\$/lb.)</u>	0.1465	0.1499	0.1428	0.1499	0.1475
Copolymer	<u>M Lbs.</u>	3.791	3.100	11.120	9.200	3.700
*Variable Cost Est.	<u>(\$/lb.)</u>	0.0486	0.0504	0.0499	0.0504	0.0454
Fixed Cost Est.	<u>(\$M)</u>	383.0	332.0	1078.0	995.0	385.0
Conversion Cost Est.	<u>(\$/lb.)</u>	0.1383	0.1430	0.1348	0.1430	0.1390
Blending Resin	<u>M Lbs.</u>	1.134	1.600	2.831	4.200	1.000
*Variable Cost Est.	<u>(\$/lb.)</u>	0.0638	0.0586	0.0655	0.0586	0.0615
Fixed Cost Est.	<u>(\$M)</u>	136.0	157.0	347.0	471.0	134.0
Conversion Cost Est.	<u>(\$/lb.)</u>	0.1815	0.1678	0.1769	0.1678	0.1825
Dispersion	<u>M Lbs.</u>	3.312	3.250	9.779	9.750	2.200
*Variable Cost Est.	<u>(\$/lb.)</u>	0.0937	0.0884	0.0916	0.0884	0.1080
Fixed Cost Est.	<u>(\$M)</u>	539.0	503.2	1531.0	1509.5	495.0
Conversion Cost Est.	<u>(\$/lb.)</u>	0.2279	0.2068	0.2167	0.2068	0.300
Compound	<u>M Lbs.</u>	9.147	8.333	28.286	24.999	8.800
*Variable Cost Est.	<u>(\$/lb.)</u>	0.1848	0.1820	0.1758	0.1820	0.184
Fixed Cost Est.	<u>(\$M)</u>	422.0	423.0	1183.0	1269.0	419.0
Conversion Cost Est.	<u>(\$/lb.)</u>	0.0559	0.0623	0.0521	0.0623	0.056

EFFICIENCY (%) (Std. Product)

Copolymer	98.0	97.9	97.9	97.9	97.9
Blending Resin	96.8	96.8	96.8	96.8	96.8
Dispersion	97.9	97.6	97.5	97.6	97.5
Compound	97.8	97.6	97.8	97.6	97.7

RFT & NON-OFFGRADE (% Total Production)

Copolymer				
RFT	97.1		96.1	95.0
NOG	100.0		100.0	100.0
Blending Resin				
RFT	100.0		99.6	95.0
NOG	100.0		99.8	100.0
Dispersion				
RFT	95.5		92.5	95.0
NOG	99.8		99.1	99.0
Compound				
RFT	99.1		99.0	99.0
NOG	99.5		99.2	99.5

*Excludes VCM, VAM, and Resins

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	<u>ACTUAL</u>	<u>MONTH</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>YEAR-TO-DATE</u> <u>BUDGET</u>	<u>NEXT</u> <u>MONTH</u> <u>EST.</u>
<u>SITE OVERTIME (%)</u>					
Total Overtime (%)	8.6		10.8		
Controllable O.T. (%)	8.3	10.0	9.8	10.0	9.0
<u>REACTOR UTILIZATION (%)</u>					
Suspension Area	86.2	84.0	85.3	84.0	85.0
Dispersion Area	75.1	79.8	71.7	79.8	74.0
<u>CM UTILIZATION (%)</u>					
Compound Area					
Line #1	92.3	82.0	89.8	82.0	88.0
Line #2	92.0	84.0	88.5	84.0	86.0
<u>SHIPMENTS (M LBS.)</u>					
Copolymer	2.272	3.083	8.462		
Blending Resin	1.308	1.250	2.818		
Dispersion	3.659	3.250	9.408		
Compound	9.245	8.333	28.260		
<u>TAILINGS/SWEEPS SHIPMENTS (M LBS.)</u>					
Copolymer	0.022		0.066		
Blending Resin	0.053		0.102		
Dispersion	0		0.038		
Compound	0		0		
<u>ENDING INVENTORY (M LBS.)</u>					
		<u>CHANGE</u>			
Copolymer	3.525	+1.519			
Blending Resin	0.963	-0.159			
Dispersion	1.989	-0.311			
Compound	5.962	+0.255			

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ATTACHMENT II

M LBS.

II. STATISTICS - SUSPENSION

Reactor Capacity (100% fastest product, 100% stream time)	5.390
Product Mix Penalty	0.436
Reactor Capacity at Actual Mix	4.954
Actual Monthly Production	4.925
Reactor Capacity Efficiency (Actual Mix)	99.4%

Reasons for Production Losses

Lost 4 blending resin seals	0.029
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STATISTICS - DISPERSION

Reactor Capacity (100% fastest product, 100% stream time)	3.714
Product Mix Penalty	0.068
Reactor Capacity at Actual Mix	3.646
Actual Monthly Production	3.312
Reactor Capacity Efficiency (Actual Mix)	90.8%

Reasons for Production Losses

Intentional production curtailment to adjust high finished product inventories	0.387
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STATISTICS - COMPOUND

CM Capacity (100% fastest product, 100% stream time)	8.911
Product Mix Penalty	0.419
CM Capacity at Actual Mix	8.492
Actual Monthly Production	9.147
CM Capacity Efficiency (Actual Mix)	107.7%

Reasons for Production Losses

N/A

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ATTACHMENT III

II. STATISTICS

<u>Area</u>	<u>QUALITY</u>			
	<u>M Lbs E-Grade</u>	<u>M Lbs Off-Grade</u>	<u>% RFT</u>	<u>% NOG</u>
Suspension	110.50	0.00	97.74	100.00
Copolymer	110.50	0.00	97.06	100.00
Blending Resin	0.00	0.00	100.00	100.00
 Dispersion	 148.50	 6.75	 95.52	 99.80
 Compound	 77.64	 51.76	 99.14	 99.46
Rigids	32.99	35.91	98.90	98.82
Flexibles	15.85	1.85	99.61	99.96
Records	28.80	14.00	98.54	99.38

Reasons for Off-Grade:

Resin:

Dispersion: high Severs

Compound:

Rigids - Color, haze, contamination.

Flexibles - Color

Record - Purge, Melt Index

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ATTACHMENT IV

HEADCOUNT
BURLINGTON SITE
1985

	<u>BUDGET</u>	<u>1985 APPROVED</u>	<u>ACTUAL</u>
<u>RESIN AREA</u>			
Exempt	33	32	32
Non-Exempt	15	15	15
Hourly	<u>112</u>	<u>112</u>	<u>113*</u>
Sub-Totals	160	159	160
<u>COMPOUND AREA</u>			
Exempt	9	9	9
Non-Exempt	0	0	0
Hourly	<u>66</u>	<u>66</u>	<u>65</u>
Sub-Totals	75	75	74
<u>PERSONNEL</u>			
Exempt	1	1	1
Non-Exempt	<u>2</u>	<u>2</u>	<u>2</u>
Sub-Totals	3	3	3
<u>ACCOUNTING</u>			
Exempt	2	2	2
Non-Exempt	<u>1</u>	<u>1</u>	<u>1</u>
Sub-Totals	3	3	3
TOTALS	241	240	240

*Includes 5 employees on long-term disability of up to three months.

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