

To: C. J. McDonald, A. E. Bagwell

From: P. J. Kober
Date: February 2, 1989

Interoffice
Communication

Subject: VCM VARIABILITY - MEETING NOTES

VISTA

1. Railcar Billing - PJK

- A. Aberdeen receives the official billing weight on each car from two sources:
 - 1. Bill of lading from the LCVCM plant.
 - 2. 6961 report from Houston accounting.
- B. Amy ^{Vernon} ~~Bagwell~~ reconciles the 6961 with each railcar to insure there are no differences.
- C. Billing weight is calculated by subtracting the individual car tares and heel allowances (750 lbs.) from the gross weight. (It is assumed that the gross weight is obtained from the KCS railroad - PJK to verify).
- D. 6961 report is generated from the COEDS system.

2. Culls - PJK

- A. PJK discussed with JEL. Culls will be included in accounting procedures this month.

3. Alternate Billing Method - AEB/CJM

- A. KCS gross weight exceeds the Aberdeen gross weights by an average of 1863 lbs. (1.045% of billing weight).
- B. Aberdeen unloads cars to an average heel of 219 lbs. which is within the allowed 750 lbs. (531 lbs. equals 0.298% of the billing weight).
- C. Tables of data are attached.

4. VCM Efficiency Control Chart - CJM

- A. See attached chart.

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5. Step by Step Analysis of VCM Accounting - CJM

A. CJM has reviewed the method of accounting for VCM consumption with Amy Vernon. Two areas of variability were identified:

1. Billing errors.
2. End of month in-process inventory procedures.

B. CJM has begun an investigation of the in-plant inventory process - he has reviewed procedures with three of the shift supervisors.

6. Action Steps

PJK Continue Analyzing VCM Billing

- A. LCVCM
- B. Outside suppliers

AEB Alternate Billing

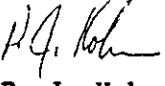
- A. Do comparison of KCS versus Aberdeen
- B. Tabulate data

CJM Accounting Procedures - VCM

- A. Complete investigation of the procedures

7. Next Meeting:

February 8, 1989
10:00 a.m.
PJK's Office


P. J. Kober
Vinyl Operations Superintendent

rah

attachment

cc: DCS, RWS