

VINYL - D. W. Hollis, J. M. Edwards

Safety

The Vinyl and Yard Departments had one first aid injury case in December.

Shift safety meeting topic for the month was the Subpart V Compliance Training.

<u>Production</u>	<u>December</u>	<u>Y.T.D.(Fiscal 87)</u>
1. Production, MM Lbs.	38.8	107.6
2. Daily Production Rate, M Lbs./C.D.	1251	1171
3. Total Charges	948	2665
4. Charges, Reactor Batches/C.D.	30.6	29.0
5. Reactor Stream Factor	94.1	89.1
6. Dryer Rate, Average Lbs./Hr.	9748	10158
7. Dryer Stream Factor	66.8	60.2
8. Accounting Days	31	92

Vinyl Department production for December was 38.8MM pounds which sets a new production record. The previous record was 38.7MM pounds set in March, 1986.

Reactors

The reactor stream factor for December was 94.1%. Downtime in the reactor area occurred as follows:

- 1) Operational Downtime: Accounted for 84.0% of the total downtime and was due to reactor recovery scheduling conflicts, downtime due to rinsing the chem wash tank, waiting on particle size information before charging, reactor inspections for 5415 test runs and delays due to four 5415 coarse batches.
- 2) Maintenance Service Downtime: Accounted for no downtime because the cleaning of the reactor AMS injection ports and inert vent lines was accomplished while the reactors were normally down for other reasons.
- 3) Maintenance Repair/Revision Downtime: Accounted for 16.0% of the total downtime and was due to changing D-600 and 744 reactor agitator seals, cleaning the sewers in the old module, changing the new module dump Sweco screen and a major electrical short in a new module starter bank.

Dryers

The dryer stream factor for December was 66.8%. Downtime in the dryer area occurred as follows:

- 1) Reactor Limited Production: Accounted for 88.8% of the total downtime. Dryers were shut down when possible for energy conservation.
- 2) Operational Downtime: Accounted for 5.0% of the total downtime and was due to centrifuge plugging, burner flameouts, dryer cleaning and transfer activator problems.

VINYL - Continued

Dryers - Continued

- 3) Maintenance Repair/Revision Downtime: Accounted for 6.2% of the total downtime and was due to repairing the fluid bed blower, welding on #7 outlet supports, working on #4 activator instrumentation, working on #5 exhaustor and explosion door, preventative maintenance on the fluid bed south Bird centrifuge, and #7 activator valve replacements.

Product Quality Summary

<u>Resin Type</u>	<u>Prime</u>	<u>"B"</u>	<u>"H"</u>	<u>% of Total Production</u>
5265	2,273,116	-	-	5.9
5305	3,816,440	-	-	9.8
5385	23,179,058	-	-	59.8
5415	6,207,369	-	-	16.0
5465	1,800,860	-	-	4.6
Debox	-	998,360	-	2.6
Off-Grade	-	176,220	-	0.5
Sifter Overflow	-	-	98,888	0.2
Pond Resin	-	223,580	-	0.6
Total	37,276,843	1,398,160	98,888	100.0

Quality performance for December was 99.7% customer grade with 0.2% "H" grade production.

A total of eleven railcars were shipped as "B" grade during the month which represented 9.6% of the 115 total resin hopper cars shipped.

<u>Load Date</u>	<u>Ship Date</u>	<u>Car No.</u>	<u>Customer</u>	<u>Product</u>	<u>Reason</u>
11/10/86	12/01/86	VIPX 45258	Intermax, TX	Debox	Quality
10/22/86	12/01/86	VIPX 45708	T. Brewer, FL	Debox	Quality
11/30/86	12/11/86	PLCX 43854	Wexford, CA	Debox	Quality
12/05/86	12/16/86	VIPX 45260	Vulcan Plastics, AL	Debox	Quality
11/26/86	12/16/86	ACFX 55814	Westernag, TX	Debox	Quality
12/16/86	12/29/86	VIPX 45261	Silverline, NC	5385	Cont.
11/17/86	12/29/86	VIPX 45782	Cont. Plast., CO	Debox	Quality
11/19/86	12/30/86	PLWX 44720	Wexford, CA	Pond Resin	Quality
12/01/86	12/31/86	PTLX 41841	Wexford, CA	Debox	Quality
12/10/86	12/31/86	PLWX 44291	Wexford, WI	Debox	Quality
11/15/86	12/31/86	PTLX 41592	Wexford, CA	Pond Resin	Quality

VINYL - Continued

The Vinyl area received twenty short lead time emergency type orders comprising 7.4% of the 272 Aberdeen resin shipments in December.

Monthly Variable Cost Performance

Variable costs for the month were unfavorable at \$487.3M resulting from an overall unfavorable price variance of \$412.8M and an unfavorable efficiency variance of \$74.6M. Resin variable cost for the month was 18.643 cents/lb. versus the budgeted 17.336 cents/lb.

The \$412.8M unfavorable price variance was primarily attributed to higher than budgeted pricing for VCM, \$446.6M.

The \$74.6M unfavorable efficiency variance can be attributed mainly to the unfavorable efficiency variance of VCM, \$67.7M; and calcium stearate, \$16.2M.

VCM efficiency for the month was 1.01402 lbs. VCM/lb. PVC versus the budgeted 1.00208 lbs. VCM/lb. PVC.

YTD variable cost efficiency variances in the Vinyl Department totaled \$103.3M unfavorable.

Energy Performance/Progress

1. Plant energy performance for December was 2263 BTU/lb.

General

1. Resin raw material in the 0744 account totaled \$262.5M.
2. Commercial production of 5415 resin started in December using temporary facilities.

COMPOUND - P. J. Kober, J. E. Nickerson

<u>Compound Production</u>	<u>Operating Days</u>	<u>Production (M Pounds)</u>		
		<u>Month</u>	<u>Average Operating Day Rate</u>	<u>Fiscal Y.T.D.</u>
Line I	31	2676	86	7348
Line V	17.5	1029	59	2544
Line III	31	3815	123	11524
Total		7520		21416

Line I operated thirty-one days during December at an average rate of 86M pounds per day. Major items affecting production efficiency were: product changes, 72 hours; quality problems, 15 hours; resin blower maintenance, 11 hours; housekeeping, 11 hours; cooling water contamination, 6 hours; Banbury problems and maintenance, 6 hours; and dicer system problems and maintenance, 5 hours.

Line V operated 17.5 days during December at an average rate of 59M pounds per day. Major items affecting production efficiency were: product changes and startups, 40 hours; quality problems and reblending, 17 hours; pelletizer problems and maintenance, 7 hours; and plasticizer system maintenance, 4 hours.

Line III operated thirty-one days during December at an average rate of 123M pounds per day. Major items affecting production were: product changes, 66 hours; scheduled and unscheduled mill and hydrotherm system maintenance, 20 hours; dicer system problems and maintenance, 14 hours; delays due to silo scheduling and rail switching problems, 9 hours; and FCM maintenance, 6 hours.

Quality performance for flexible compounds was 1.3% off-grade of which 95% was due to mill scrap. "BC" production was 0.6%.

The raw material requirement for flexible compounds was 1.01599 pounds of raw material per pound of compound versus a 1.01081 standard (YTD is 1.00488).

The variable cost variance for compound was \$44.1M favorable with \$10.8M favorable due to price and \$33.3M favorable due to efficiency. The efficiency variance due to product mix was \$36.4M favorable. There were no major compound raw material efficiency variances.

The 7.5MM pounds of compound produced in December is a new monthly total production record. The previous record was 7.4MM pounds achieved last month.

Total compound inventory rose 1.7MM pounds in December to 9.4MM pounds.

<u>Dry Blend</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	5493	177	13900
Operating Days	31	-	92

COMPOUND - Continued

Dry Blend - continued

Dry blend operated thirty-one days during December at an average rate of 177M pounds per day. Production included 80172C, 80273G, 90172D, RP-200, 223-36, 196-198, 223-134, 269-12, RP-203, 269-67, 269-69, 269-80, and 269-66.

Dry Blend production was hindered by: product changes, 28 hours; delays associated with quality and lab problems and normal Q.C., 17 hours; transfer system problems and maintenance, 21 hours; and Welex problems and maintenance, 10 hours.

Quality performance for the month of December was 98.8% customer grade.

The raw material requirement for dry blend was .99013 pounds of raw material per pound of dry blend versus a standard of 1.00489 (YTD is 1.00571).

The variable cost variance for dry blend was \$13.5M favorable with \$30.9M unfavorable due to price and \$44.4M favorable due to efficiency. The efficiency variance due to product mix was \$18.6M favorable.

<u>Plasticizer</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	1882	61	5643
Operating Days	31	-	92

Plasticizer operated thirty-one days during December at an average rate of 61M pounds per day. Production included 610P and 108P.

VRP production totaled 124M pounds (6.6%).

The raw material requirement for plasticizer was 1.24486 pounds of raw materials per pound of plasticizer versus a 1.09868 standard (Y.T.D. is 1.12585).

The variable cost variance for plasticizer was \$81.4M unfavorable with \$17.7M unfavorable due to price and \$63.8M unfavorable due to efficiency. Alfol 610 was a major efficiency variance at \$57.3M unfavorable. Much of this variance was due to an accounting error which left last month unusually favorable.

The efficiency variance due to product mix was \$1.8M favorable.

Quality Improvement

All compound, dry blend and plasticizer operators participated in SPC classes in December. The course included training in statistical methods, involvement team concepts, and the quality improvement process.

COMPOUND - ContinuedEnergy

	<u>Usage (BTU/Lb.)</u>	
	<u>Actual</u>	<u>Standard</u>
Compound	1665.7	1783.0
Dry Blend	689.7	730.0
Plasticizer	1569.0	1833.5

VINYL - D. W. Hollis, J. M. Edwards

Safety

The Vinyl and Yard Departments had one first aid injury case in November.

Shift safety meeting topic for the month was the annual fire fighting training.

<u>Production</u>	<u>November</u>	<u>Y.T.D.(Fiscal 87)</u>
1. Production, MM Lbs.	36.6	68.8
2. Daily Production Rate, M Lbs./C.D.	1219	1128
3. Total Charges	917	1717
4. Charges, Reactor Batches/C.D.	30.6	28.1
5. Reactor Stream Factor	92.9	86.5
6. Dryer Rate, Average Lbs./Hr.	10182	10366
7. Dryer Stream Factor	62.3	56.8
8. Accounting Days	30	61

Vinyl Department production for November was 36.6MM pounds.

Reactors

The reactor stream factor for November was 92.9%. Downtime in the reactor area occurred as follows:

- 1) Operational Downtime: Accounted for 64.9% of the total downtime and was due to reactor recovery scheduling conflicts, downtime due to rinsing the chem wash tank and waiting on particle size information before charging.
- 2) Maintenance Service Downtime: Accounted for no downtime because the cleaning of the reactor AMS injection ports and inert vent lines was accomplished while the reactors were normally down for other reasons.
- 3) Maintenance Repair/Revision Downtime: Accounted for 35.1% of the total downtime and was due to rebuilding reactor 742 gearbox, replacing reactor 743 condenser gasket, changing D-600 reactor agitator seal and changing 742 reactor sewer valve.

Dryers

The dryer stream factor for November was 62.3%. Downtime in the dryer area occurred as follows:

- 1) Reactor Limited Production: Accounted for 94.1% of the total downtime. Dryers were shut down when possible for energy conservation.
- 2) Operational Downtime: Accounted for 4.0% of the total downtime and was due to centrifuge plugging, burner flameouts, dryer cleaning and transfer activator problems.
- 3) Maintenance Repair/Revision Downtime: Accounted for 2.0% of the total downtime and was due to repairing leaks in transfer lines, #4 centrifuge repair, #4 activator repair and #7 centrifuge repair.

VINYL - ContinuedProduct Quality Summary

<u>Resin Type</u>	<u>Prime</u>	<u>"B"</u>	<u>"H"</u>	<u>% of Total Production</u>
5265	2,841,838	-	-	7.8
5305	3,277,980	-	-	9.0
5385	18,365,625	-	-	50.1
5425	8,551,395	-	-	23.4
5465	2,114,400	-	-	5.8
Debox	-	1,084,720	-	3.0
Sifter Overflow	-	-	75,451	0.2
Pond Resin	-	252,760	-	0.7
Total	35,151,238	1,337,480	75,451	100.0

Quality performance for November was 99.8% customer grade with 0.2% "H" grade production.

A total of six railcars were shipped as "B" grade during the month which represented 6.3% of the 95 total resin hopper cars shipped.

<u>Load Date</u>	<u>Ship Date</u>	<u>Car No.</u>	<u>Customer</u>	<u>Product</u>	<u>Reason</u>
10/27/86	11/11/86	PLWX 44258	Cont. Plastics	Debox	Quality
11/03/86	11/11/86	PTLX 41594	Vulcan Plastics	Debox	Quality
10/04/86	11/11/86	PTLX 41857	Wexford	Debox	Quality
10/07/86	11/13/86	VIPX 45703	Cont. Plastics	Debox	Quality
10/01/86	11/14/86	PTLX 41603	Grifco	Debox	Quality
10/06/86	11/21/87	VIPX 45290	Wexford	Debox	Quality

The Vinyl area received forty-three short lead time emergency type orders comprising 16.0% of the 269 Aberdeen resin shipments in November.

Monthly Variable Cost Performance

Variable costs for the month were unfavorable at \$259.5M resulting from an overall unfavorable price variance of \$251.2M and an unfavorable efficiency variance of \$8.3M. Resin variable cost for the month was 18.074 cents/lb. versus the budgeted 17.336 cents/lb.

The \$251.2M unfavorable price variance was primarily attributed to higher than budgeted pricing for VCM, \$275.0M.

The \$8.3M unfavorable efficiency variance can be attributed mainly to the unfavorable efficiency variances of 939 initiator, \$13.5M; and Methocel, \$11.2M, being offset by favorable efficiencies in Calcium Stearate, \$17.8M; and Alcotex, \$12.0M.

VINYL - ContinuedMonthly Variable Cost Performance - continued

VCM efficiency for the month was 1.00278 lbs. VCM/lb. PVC versus the budgeted 1.00208 lbs. VCM/lb. PVC.

YTD variable cost efficiency variances in the Vinyl Department totaled \$28.8M unfavorable.

Energy Performance/Progress

1. Plant energy performance for November was 2277 BTU/lb.

General

1. Resin raw material in the 0744 account totaled \$274.4M.
2. A run of X-42 resin was made to supply trial material to customers.

COMPOUND - P. J. Kober, J. E. Nickerson

<u>Compound Production</u>	<u>Operating Days</u>	<u>Production (M Pounds)</u>		
		<u>Month</u>	<u>Average Operating Day Rate</u>	<u>Fiscal Y.T.D.</u>
Line I	30	2542	85	4672
Line V	14	774	55	1515
Line III	30	4070	136	7710
Total		7386		13897

Line I operated thirty days during November at an average rate of 85M pounds per day. Major items affecting production efficiency were: product changes, 65 hours; housekeeping, 17 hours; Banbury maintenance, 12 hours; quality problems and blender adjustments 15 hours, plasticizer weigh-up system maintenance, 6 hours; and dicer system problems and maintenance, 5 hours.

Line V operated fourteen days during November at an average rate of 55M pounds per day. Major items affecting production efficiency were: product changes, 31 hours; and quality problems, 6 hours.

Line III operated thirty days during November at an average rate of 136M pounds per day. Line III production was hindered by: product changes, 61 hours; mill and hydrotherm system maintenance, 10 hours; and FCM maintenance, 9 hours.

Quality performance for flexible compounds was 1.4% off-grade of which 78.9% was due to mill scrap. "BC" production was .68%.

The raw material requirement for flexible compounds was .98587 pounds of raw material per pound of compound versus a 1.01169 standard (YTD is .99888).

The variable cost variance for compound was \$118.8M favorable with \$19.0M unfavorable due to price and \$137.9M favorable due to efficiency. The efficiency variance due to product mix was \$95.9M favorable. There were no major compound raw material efficiency variances.

The 7.4MM pounds of compound produced in November represent a new total production record. The previous record was 6.5MM pounds achieved last month.

Total compound inventory rose .7MM pounds in November to 7.7MM pounds.

<u>Dry Blend</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	3982	133	8275
Operating Days	30	-	61

COMPOUND - ContinuedDry Blend - continued

Dry blend operated thirty days during November at an average rate of 133M pounds per day. Production included 80172C, 90172D, 80273G, RP-200, 186-139, 223-36, 186-180, 196-198, 223-68, 223-134, 269-12, 269-15, RP-440, 223-204, 245-67, 269-48, 269-50, and RP-203.

Dry Blend production was hindered by: product changes, 98 hours; delays associated with quality and lab problems and normal Q.C., 59 hours; transfer system problems and maintenance, 17 hours; and screener problems and maintenance, 5 hours.

Quality performance for the month of November was 97.5% customer grade.

The raw material requirement for dry blend was 1.01416 pounds of raw material per pound of dry blend versus a standard of 1.00492 (YTD is 1.01690).

The variable cost variance for dry blend was \$2.6M favorable with \$29.2M favorable due to price and \$26.5M unfavorable due to efficiency. The efficiency variance due to product mix was \$2.3M favorable. There were no major dry blend raw material efficiency variances.

Dry blend rates were reduced by the high percentage of RP, experimental, and colored products produced and the numerous difficult product changes required.

<u>Plasticizer</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	1769	59	3762
Operating Days	30	-	61

Plasticizer operated thirty days during November at an average rate of 59M pounds per day. Production included 610P and 108P.

VRP production totaled 151M pounds (9.3%).

The raw material requirement for plasticizer was 1.05375 pounds of raw materials per pound of plasticizer versus a 1.09851 standard (Y.T.D. is 1.06531).

The variable cost variance for plasticizer was \$35.0M favorable with \$6.1M favorable due to price and \$29.0M favorable due to efficiency.

The efficiency variance due to product mix was \$0.2M unfavorable.

COMPOUND - ContinuedQuality Improvement

Control charting techniques were introduced to operators in Dry Blend to aid in investigation of variation in the dry blend weigh-up system.

Training classes for all compound, dry blend, and plasticizer operators are scheduled for early December. The classes will include training in statistical methods, involvement teams, and the entire Vista quality improvement process.

Energy

	<u>Usage (BTU/Lb.)</u>	
	<u>Actual</u>	<u>Standard</u>
Compound	1783.1	1783.0
Dry Blend	692.2	730.0
Plasticizer	1604.9	1833.5

VINYL - D. W. Hollis, J. M. EdwardsSafety

The Vinyl and Yard Departments operated without an injury in October.

Shift safety meeting topic for the month was Back Injury Prevention.

<u>Production</u>	<u>October</u>	<u>Y.T.D.(Fiscal 87)</u>
1. Production, MM Lbs.	32.2	32.2
2. Daily Production Rate, M Lbs./C.D.	1041	1041
3. Total Charges	800	800
4. Charges, Reactor Batches/C.D.	25.8	25.8
5. Reactor Stream Factor	80.3	80.3
6. Dryer Rate, Average Lbs./Hr.	10543	10543
7. Dryer Stream Factor	51.4	51.4
8. Accounting Days	31	31

Vinyl Department production for October was 32.2MM pounds.

Reactors

The reactor stream factor for September was 80.3%. Downtime in the reactor area occurred as follows:

- 1) Operational Downtime: Accounted for 22.2% of the total downtime and was due to reactor recovery scheduling conflicts, downtime due to rinsing the chem wash tank and waiting on particle size information before charging.
- 2) Maintenance Service Downtime: Accounted for no downtime because the cleaning of the reactor AMS injection ports and inert vent lines was accomplished while the reactors were normally down for other reasons.
- 3) Maintenance Repair/Revision Downtime: Accounted for 77.8% of the total downtime and was due to drilling the condenser on reactor 500 while changing relief valves and safety discs, and maintenance on various reactor valves and actuators. At the end of the month, the new module had its annual shutdown at which time the 742 and 743 agitator gearboxes were rebuilt, reactors 741 through 744 were hydroblasted and die-checked, remote operated valves were installed at the VCM sphere, the fresh VCM receiver and west recovered VCM receiver, and the oil seal was changed in the duraseal units to Shell Turbo oil. Also, air and steam piping modifications were made to allow new technology additions without plant outages. The vent lines above the fresh and recovered VCM receivers were modified. Miscellaneous steam, cooling water and process water leaks were repaired, electrical equipment had preventive maintenance and compliance items were completed on valve actuators.

VINYL - Continued

Dryers

The dryer stream factor for October was 51.4%. Downtime in the dryer area occurred as follows:

- 1) Reactor Limited Production: Accounted for 94.0% of the total downtime. Dryers were shut down when possible for energy conservation.
- 2) Operational Downtime: Accounted for 3.0% of the total downtime and was due to centrifuge plugging, burner flameouts, dryer cleaning and transfer activator problems.
- 3) Maintenance Repair/Revision Downtime: Accounted for 3.0% of the total downtime and was due to #1 dryer centrifuge repairs, changing out the filter socks in dryers #5 through #8, changing out the north centrifuge in the fluid bed dryer, and repairs to #7 dryer drive train.

Product Quality Summary

<u>Resin Type</u>	<u>Prime</u>	<u>"B"</u>	<u>"H"</u>	<u>% of Total Production</u>
5265	2,478,838	-	-	7.7
5305	2,723,426	-	-	8.4
5385	17,873,833	-	-	55.4
5425	6,392,125	-	-	19.8
5465	1,697,400	-	-	5.2
Debox	-	920,940	-	2.9
Sifter Overflow	-	-	122,836	0.4
Pond Resin	-	62,700	-	0.2
Total	31,165,122	983,640	122,836	100.0

Quality performance for October was 99.6% customer grade with 0.4% "H" grade production.

A total of one railcar was shipped as "B" grade during the month which represented 1.2% of the 84 total resin hopper cars shipped.

<u>Load Date</u>	<u>Ship Date</u>	<u>Car No.</u>	<u>Customer</u>	<u>Product</u>	<u>Reason</u>
10/16/86	10/31/86	PLCX 43013	Cont. Plast.	Debox	Quality

The Vinyl area received fifteen short lead time emergency type orders comprising 5.4% of the 279 Aberdeen resin shipments in October.

Monthly Variable Cost Performance

Variable costs for the month were unfavorable at \$105.9M resulting from an overall unfavorable price variance of \$85.4M and an unfavorable efficiency variance of \$20.5M. Resin variable cost for the month was 17.676 cents/lb. versus the budgeted 17.336 cents/lb.

VINYL - Continued

Monthly Variable Cost Performance - continued

The \$85.4M unfavorable price variance was primarily attributed to higher than budgeted pricing for VCM, \$73.8M.

The \$20.5M unfavorable efficiency variance can be attributed mainly to the unfavorable efficiency variances for: VCM, \$7.6M; initiators, \$14.9M; Methocel F50, \$8.4M; and a favorable variance for Polyvic 5202, \$5.9M.

VCM efficiency for the month was 1.00363 lbs. VCM/lb. PVC versus the budgeted 1.00208 lbs. VCM/lb. PVC.

Energy Performance/Progress

1. Plant energy performance for October was 2291 BTU/lb.

General

1. Resin raw material in the 0744 account totaled \$287.9M.
2. The new module had its annual maintenance shutdown during the final week of the month. During this time, major software and some hardware modifications were made to the Modicon control computer.
3. The first SPC Employee Involvement Team was organized in October. The first meeting will be held in November.

COMPOUND - P. J. Kober, J. E. Nickerson

<u>Compound Production</u>	<u>Operating Days</u>	<u>Production (M Pounds)</u>		
		<u>Month</u>	<u>Average Operating Day Rate</u>	<u>Fiscal Y.T.D.</u>
Line I	31	2130	69	2130
Line V	17	741	44	741
Line III	31	3640	117	3640
Total		6511		

Line I operated thirty-one days during October at an average rate of 69M pounds per day. Major items affecting production efficiency were: product changes, 63 hours; dicer system problems and maintenance, 18 hours; housekeeping, 18 hours; preblend scale problems and maintenance, 16 hours; quality problems and rework, 14 hours; plasticizer weigh-up system maintenance, 10 hours; and transfer system problems, 5 hours.

Line V operated seventeen days during October at an average rate of 44M pounds per day. Major items affecting production efficiency were: product changes, 32 hours; quality problems and rework primarily due to hard particles, 43 hours; and intensive cooler maintenance, 21 hours.

Line III operated thirty-one days during October at an average rate of 117M pounds per day. Line III production was hindered by: product changes, 92 hours; mill and hydrotherm system maintenance, 12 hours; quality problems, 12 hours; FCM maintenance, 10 hours; dicing system problems and maintenance, 9 hours; and resin valve malfunction, 5 hours.

Quality performance for flexible compounds was 2.0% off-grade of which 87.0% was due to mill scrap. "BC" production was 1.1%.

The raw material requirement for flexible compounds was 1.01363 pounds of raw material per pound of compound versus a 1.01175 standard (YTD is 1.01363).

The variable cost variance for compound was \$31.6M favorable with \$5.8M unfavorable due to price and \$37.5M favorable due to efficiency. The efficiency variance due to product mix was \$37.3M favorable. There were no major raw material efficiency variances.

Total compound inventory rose .16MM pounds in October to 7.0MM pounds.

<u>Dry Blend</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	4426	143	4426
Operating Days	31	-	31

COMPOUND - Continued

Dry Blend - continued

Dry blend operated thirty-one days during October at an average rate of 143M pounds per day. Production included 80172C, 80273G, 90172D, RP-200, RP-200T, RP-421, 196-198, 186-139, 223-36, 186-80, 223-57, 223-68, 223-148, 223-166, 223-206, 223-134, 245-53, 245-60, 269-12, 269-13, 269-14 and 169-15.

Dry Blend production was hindered by: product changes, 99 hours; delays associated with quality and lab problems and normal Q.C., 53 hours; transfer system problems, 18 hours; and filler system problems and maintenance, 9 hours.

Quality performance for the month of October was 98.3% customer grade.

The raw material requirement for dry blend was 1.01751 pounds of raw material per pound of dry blend versus a standard of 1.00492 (YTD is 1.01751).

The variable cost variance for dry blend was \$39.6M favorable with \$20.0M unfavorable due to price and \$59.6M favorable due to efficiency. The efficiency variance due to product mix was \$62.9M favorable. There were no major dry blend raw material efficiency variances.

<u>Plasticizer</u>	<u>Month</u>	<u>Average Operating-Day Rate</u>	<u>Fiscal Y.T.D.</u>
Production, M Pounds	1993	64	1993
Operating Days	31	-	31

Plasticizer operated thirty-one days during October at an average rate of 64M pounds per day. All customer grade production was 610P.

VRP production totaled 152M pounds (7.6%).

The raw material requirement for plasticizer was 1.07558 pounds of raw materials per pound of plasticizer versus a 1.09897 standard (Y.T.D. is 1.07558).

The variable cost variance for plasticizer was \$13.2M favorable with \$2.6M favorable due to price and \$10.6M due to efficiency.

The efficiency variance due to product mix was \$5.7M favorable.

Energy

	<u>Usage (BTU/Lb.)</u>	
	<u>Actual</u>	<u>Standard</u>
Compound	1807.9	1783.0
Dry Blend	750.7	730.0
Plasticizer	1524.2	1833.5