

cc: W. T. Anderson
A. D. Bloomberg, Springfield
R. W. Bueker, Springfield

J. N. Flanagan
C. T. Massey
Central Files

MONSANTO CHEMICAL COMPANY
TEXAS CITY, TEXAS

April 5, 1961

To: John O. Clay
At: St. Louis
Subject: King-Size VCM Tank Cars
Reference: Memo, JOC to LBB, 3-21-61
Memo, JOC to LBB, 3- 1-61

The cost study has been revised as you suggested. Column 1 for regular size cars was also amended to the same basis as used for the king-size cars.

A complete report for Engineering Planning will be mailed in a few days for the Pre-Project Board's comments. In this report I have a total cost for purchase or finance lease of king-size cars of \$1,600,000. This figure was arrived at as follows:

75 K-S Cars @ \$20,610/car (1961)	\$ 1,545,750
Escalation Cost @ 5%/yr	
For 6 cars purchased in 1962	6,183
For 6 cars purchased in 1963	<u>12,366</u>
Sub-Total	\$ 1,564,299
Monsanto's Inspection @ 0.5%	7,822
Transportation - Penn. to Texas City	
1200 miles @ 22.5¢/mile/car	<u>20,250</u>
	\$ 1,592,371
Contingencies	<u>7,629</u>
TOTAL COST FOR CARS	\$ 1,600,000

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I'm not sure if the contingencies are high enough. If it is decided to purchase cars, we may have to stay within this figure. If you think something more should be included, we will adjust the figure.

Please excuse the delay in answering your letter. I was on vacation last week.

hl

Burnie
L. B. Bullock