

*For
VCM Ethylene Co - Polymer*

Texas City, Texas

August 5, 1965

Sales of Ethylene and VCM
to Organic Division

B. J. Darby -
W. R. Johnson
J. Roughton/J. Schroeder
G. T. Ryan

W. R. Nisbet

The Organic Division will shortly be operating a pilot plant to study manufacture of an ethylene-VCM co-polymer.

Texas City will supply for this operation approximately:

VCM - 110,000 lbs./month (in 10,000 gal. cars)

Ethylene- 30,000 lbs./month (in 5,000 lb cylinder trailer loads)

Since these quantities are obviously too small to be given consideration of a "buy in" basis, the sale price will then fall into an inter-divisional price negotiation area.

As a basis for your discussions on price negotiation, we are suggesting the following:

VCM - Invoice out at \$6.06/100 lbs. FOB Texas City.

Basis:

We buy VCM at \$6.20/100 Ft. equalized which resolves itself back to a \$5.90 bulk cost. Loading charges here will be \$0.06/100 (our standard carloading charge).

Ethylene - invoice out at \$4.33/100

Basis:

Sales price (pipeline) is \$4.00.
Loading charge \$0.33/100

Loading charges based on use of maintenance costs for connecting and disconnecting cylinder trailers at \$15/truck x 6/month = \$90.

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