

CDH

VISTA

Interoffice
Communication

TO: PROGRESS REPORT RECIPIENTS

FROM: Wilbur C. Kolar

DATE: August 20, 1985

SUBJECT: STAFF MEETING COMMENTS - AUGUST 19, 1985

PCJ Condea has ordered second shipment of 500 tons of alumina.

WHC PPG's LaPorte, Texas PVC catalyst initiator business is up for sale.

RDG Aberdeen had an external power failure -- had to kill 5 reactors -- no venting but some product degradation. No serious damage as result of hurricane in the Lake Charles plants.

HWH Monsanto's LAB plant is down for 2-3 week turnaround. August earnings for alkylate are estimated to be about the same as latest reforecast; alcohols will be about \$.2-.3MM lower.

JFM Have employed an expert in duty drawbacks.

RES Average netback for August estimated at 21-21½¢/lb.

RAK Alkylate equivalent sales for August estimated at 24.5MM lbs. Other surfactant sales about at reforecast.

JRB Will try to get our alcohol prices up in 4th Quarter in South America, since the dollar has softened somewhat.

CMS The Chinese expressed interest in possibly licensing our novel ethoxylation technology.

Wilbur C. Kolar
Wilbur C. Kolar

WCK:dem

27

VISTA

Interoffice
Communication

TO: R. E. Lehmkuhl
FROM: R. D. Gamblin
DATE: August 23, 1985
SUBJECT: PROGRESS REPORT--AUGUST 15, 1985 THROUGH AUGUST 21, 1985

ABERDEEN

Safety - There were no injuries recorded for the reporting period.

Resin Unit (A & BC Grade)	Production	Forecast MM Lbs. - Aug.
Last 7 Days, M Lbs./C.D.	1123	Budget 32.4
Last 7 Days, % of Budget	107	Forecast 8/15/85 30.5
Current Rate, % of Budget	106	Forecast 8/22/85 32.5

Vinyl production for the week averaged 1123M lbs./day. Downtime in the reactor area resulted from replacing 700 agitator seal, replacing 700 recovery valve, incinerator mechanical problems and a fifty-minute power outage on 8/16. During the outage, five reactors had to be killed using the emergency AMS system. There were no VCM releases.

Compound Unit (Customer Grade)	Production	Forecast MM Lbs. - Aug.
Last 7 Days, M Lbs./C.D.	169	Budget 4.6
Last 7 Days, % of Budget	110	Forecast 8/15/85 5.0
		Forecast 8/22/85 5.0

Line I and Line III operated seven days averaging 61M lbs./day and 108M lbs./day, respectively. Both compound lines ran well during the week with no major operating problems.

Plasticizer

Plasticizer operated five days averaging 39M lbs./day.

Dry Blend Unit	Production	Forecast MM Lbs. - Aug.
Last 7 Days, M Lbs./C.D.	121	Budget 4.8
Last 7 Days, % of Budget	75	Forecast 8/15/85 5.0
		Forecast 8/22/85 4.5

Dry blend operated seven days during the week averaging 121M lbs./day. Production included 5426-147, 140-158, 0180-104, 80273C, 186-7, 80174, 90171, 193-8, and 90172C. Production was hindered by the numerous product changes and other problems associated with production of colored RP products and other experimental dry blends.

R. E. Lehmkuhl
August 23, 1985
Page 2

OKLAHOMA CITY

Safety - There was one first aid injury reported during this period.

PRODUCTION (5385-3 PVC Resin)			
	MM Lbs.	M Lbs./C.D.*	% of Budget
Current	-	0	0
Last 7 Days	4.443	741	115
Month-to-Date	12.802	674	104
Budget	20.000	-	-
Revised Target (08/19/85)	18.000	-	-
Previous Month	15.703	-	-
Year-to-Date	224.683	-	-

* Per On-Stream Day

Operations - The reactor stream factor was 68%. Reactor downtime was due primarily to the plant shutting down on 8/20 for PVC and VCM inventory control. Preparations are being made for plant start-up later today. At 18 batches/day, the August production target (18 MM lbs.) will be met by August 29.

Carlton transfer during the 7-day reporting period was 2.48MM lbs. Month-to-date transfer is 6.63MM lbs.

BALTIMORE

Available Alkylates - M Lbs.		Production for Week - M Lbs.	
N-500	8,711	N-500	0
N-550L	4,197	Hydrotropes	0
N-600L	1,513	VISTA 7050	0
VISTA 7050	1,457		
C-1012	22,117		

Safety - One injury requiring first aid treatment was reported during the period.

Operations

Alkylate Unit - The plant was down during the reporting period for the scheduled turnaround. Work is progressing on schedule, with start-up of the unit projected for August 29 as planned.

Purchase of outside muriatic acid and plant inventories were combined such that plant inventories will be depleted upon start-up.

Hydrotrope Unit - The unit was down during the reporting period for inventory control. Start-up of the unit will occur Monday, 8/26, due to good sales the last two weeks.

R. E. Lehmkuhl
August 23, 1985
Page 3

LAKE CHARLES LAB PLANT

Safety - There were no injuries during the reporting period.

Operations - The plant start-up and subsequent operations after the shutdown for the hurricane went smoothly. The Pacol Unit ran with an 83% stream factor during the week at an average conversion of 12.5%. LAB Fractionation operated at a 79% stream factor producing N-600L at about a 483M pound per stream day rate.

A product switch to N-550L will be made on Sunday, 8/25. A 1.0MM lb. "Magnachem" shipment of N-600L is scheduled for lifting today.

HAMMOND

Safety - There were no accidents or injuries reported this past week.

Operations - Sulfonation was restarted Tuesday 8/20 and is running well at good rates producing excellent quality SA-597.

Sixteen tank trucks of all products shipped this week, six of which were C-640A for Procter and Gamble.

LAKE CHARLES CHEMICAL PLANT

There were no injuries during the reporting period.

<u>Ethylene Inventory</u>	<u>MM Pounds</u>
No. 1 Dome	35.194
No. 2 Dome	4.056

<u>Alumina Inventory</u>	<u>MM Pounds</u>
On-Spec	6.495
Off-Spec	0.001

Normal Paraffin Unit

<u>NPE Unit:</u>	Production - Last 7 Days	4.34 MM Lbs.
	- Next 7 Days	3.70 MM Lbs.
Inventories	- C1016 Paraffin	7.04 MM Lbs.
	- C1012 Paraffin	10.97 MM Lbs.
	- C1216 Paraffin	3.63 MM Lbs.

<u>Kerosene:</u>	Consumption - Refinery	13,418 BPD
	- High TNP	0 BPD

3
R. E. Lehmkuhl
August 23, 1985
Page 4

	<u>PERIOD</u>
Deliveries - Conoco	46,436 BBLs.
- Citgo	38,787 BBLs.
- Other	0 BBLs.

Inventories - Refinery	60,068 BBLs.
- High TNP	7,588 BBLs.

Feed was returned to the hydrotreater at 6:45 PM 8/15 after a temporary shutdown in preparation for Hurricane Danny. Charge to the Molex Unit is 11,000 BPD for inventory control. 102 D&E exchangers will return to service 8/23.

The Splitter operated well this period at 2500 BPD charge.

The "Magnachem" is due today for 31.2 bbls. of C1012 paraffin.

The Solvent Unit is operating well at 1500 BPD charge.

Ethoxylation Unit

Production: 0.258 MM Lbs.

The unit was down most of this period due to high inventories. All shipments are current.

Alcohol Unit

The Alcohol Unit operated well at 180MM lbs./yr. equivalent rates and produced 3.6MM lbs. this period (7 days). The old utility tower system is in 1214 LO operation ending 8/26, followed by a 14 clean-up.

<u>Production</u>	<u>MM Pounds</u>
August Production Forecast	14.0
August Production To Date	9.9
August Production Balance	4.1

Alumina Unit

The Alumina Unit operated well this period and is currently on a low NAG high Al_2O_3 run for Condea. There are 33 loaded railcars on the lease track, 1 loaded railcar in plant, and 8 empty railcars available for alumina service.

<u>Production</u>	<u>MM Pounds</u>
August Production Forecast	2.58
August Production To Date	1.85
August Production Balance	0.73

4

R. E. Lehmkuhl
 August 23, 1985
 Page 5

Ethylene Unit	This Week	Next Week
Production, MM Lbs./Day	1.68	1.82
Ethane Feed, BPD	18,300	19,900

The unit ran well during the week. Production rates were increased as the VCM Plant began taking ethylene after their turnaround. The ethane feed from Mt. Belvieu was increased to reduce the Cities (Hackberry) feed rate to approximately 2000 BPD.

The current dome inventory is 39.3MM lbs.

Methyl Chloride Unit

Production - Last 7 Days	1.789 MM Lbs.
- Next 7 Days	1.230 MM Lbs.

The unit operated well this period at high HCl charge rate from Olin. The Cooper compressor was returned to service 8/16. The new recycle compressor start-up is in progress. All shipments are current.

LAKE CHARLES VCM PLANT

Safety - There were no injuries reported during the period. One first aid case which occurred during the turnaround on 8/2 was reclassified as a medical treatment case.

Operations - VCM production was resumed at 7 PM, 8/20, following the turnaround. Vinyl production was held at reduced rates for 12 hrs. to repair a leak in the Oxychlorination Ethylene Feed Preheater, H-308. Following repairs, the Oxychlorination Unit was started up on 8/21. The turnaround took 25+ days versus 23 days budgeted. Contributing to the overrun was Hurricane Danny and increased maintenance due to the longer run length. Chlorine consumption averaged 212.7 T/D from the PPG pipeline. At these rates the plant was operating 159.3 T/D below balance. Present vinyl production is at 1.75MM lbs./day. Rate increases are in progress.

The "Donau" arrived on 8/21 to lift 5150 MT to the Far East.

R. D. Gamblin

R. D. Gamblin

bh

Att.

PRODUCTION SUMMARY

(MM Lbs.)

Week of 8/15/85 Thru 8/21/85

Week No. 47

	Actual Production	1985 Weekly* Standard	Weekly Average	Monthly Cumulative Thru 8/21/84
<u>ABERDEEN</u>				
Resin (A&BC) Grade	7.86	7.96	7.88	21.61
Dry Blend	0.85	1.05	1.00	2.61
Compound	1.18	1.05	1.04	3.51
Plasticizer	0.27	0.28	0.28	0.85

OKLAHOMA CITY

Resin (A&BC Grade)	4.44	4.99	4.84	12.80
--------------------	------	------	------	-------

BALTIMORE

N-500	0.00	3.53	3.50	6.31
Hydrotropes	0.00	0.21	0.18	0.34

LC-LAB

N-550L, N-600L	2.67	2.11	2.27	6.14
----------------	------	------	------	------

HAMMOND

Sulfonic Acid	0.29	0.11	0.21	0.37
C-550, C-560	0.00	0.14	0.19	0.23
1412-A	0.00	0.07	0.01	0.00

LCGP

N-Paraffin	4.34	5.12	5.07	14.30
Ethoxylates	0.26	0.70	0.73	1.66
618 Alcohol	3.65	4.22	3.77	9.92
Alumina	0.59	0.74	0.71	1.85
Ethylene	11.78	11.99	10.51	33.23
Methyl Chloride	1.79	1.63	1.45	3.43

LC-VCM

VCM	1.24	12.85	12.96	1.24
-----	------	-------	-------	------

Weekly Average Production Required to Meet 1985 Profit Objective. THRU 4TH QUARTER 1985

5

To: Dave Kuhn

From: Public Relations
Date: August 23, 1985

Interoffice
Communication

Subject: Progress report for week ending August 23, 1985

Media contacts

1. Met with Susan Avery, Modern Plastics, and Rick Flammer for interview. Avery is working on a PVC resins article to appear in October.
2. Sent information on company and R&D to Louise Abercrombie, Ponca City News, which is planning a feature on Vista in the paper's October progress edition.
3. Sent background information to Jack Coffee, Columbus Commercial Dispatch, in preparation for his interview with John Friend. Article is being prepared on chemical industry in area around Columbus.
4. Clarke Bird, Plastics World, called for August PVC price information.

General

1. Completed ChemNews 85/5 and sent it to the printer. Offer of employment to Chris Bozman, who will be new editor, replacing Ava Humme, was accepted. Bozman will report September 3.
2. Met with Vickie Salameh, Employee Relations, to plan benefits communication over next several months.
3. Met with Bob Dale and Bob Lamons to discuss possibilities for product and plant display in Timberway headquarters.
4. Worked with Dave Bartlett on preparation of recruiting materials for use by manufacturing, marketing, S&T, engineering and R&D. Materials should be completed by end of the month.
5. Updated text of training manual for Tom Butler.
6. Prepared overheads for speech by Jim Carter, Employee Relations.
7. Worked with Tom Grumbles, Darwin Phillips, Roscoe Cooley, John Levardson and Xerox Corporation to see if

Xerox Star system could be used to produce drumming labels. Problem of smearing ink has been turned over to Xerox lab in Rochester, N.Y. Separate inquiry proceeding on whether Star could operate separate printer, if laser printer won't print labels.

8. Offer of Assistant Public Relations Specialist position to Diana Mendoza, Marketing Administration, was accepted. The position will assist other departments in the production of printed documents and visuals. She will report as soon as her present position can be filled.
9. Continued work on Vista Yearbook, now scheduled for completion in mid-September.
10. Updating of emergency communication manual continues. Should be completed by mid-September.

cc:MSR, JER

6

TO: J. R. Ball

FROM: R. M. Lamons

DATE: August 23, 1985

SUBJECT: PROGRESS REPORT FOR WEEK ENDING AUGUST 23, 1985

Interoffice
Communication

VISTA

Product Listing Brochure - Have received comments from Marketing and Product Managers. In the process of adapting new copy to the space available. Hope to turn over to Marschalk today.

1986 Pocket Calendars - Deadline for placing the verbal order is today. Still haven't received verification of quantities from all parties. Will expedite by telephone so that we can make the early production run (for delivery the first week in October).

Solvents Research - Met with Thomas Research on August 19 to explore possibility of research to determine market potential and buying factors for Vista solvents. They will prepare a proposal for Market Development within two weeks.

Specialty Advertising - Met with Darwin Phillips and Irene Sears on August 22 to review current specialty advertising items. A decision had previously been made to drop some items due to low usage. Several others might be upgraded or dropped. Field Marketing will be surveyed on these items, as well as several new items for possible inclusion in the standard offering. Darwin is investigating the purchase of higher quality items in several cases (e.g. Cross pen sets).

Product Display - Met with Bob Dale and Mike Reynolds on August 20 to discuss a possible display for employees and Timberway visitors showing Vista products and production facilities. Also met with a tradeshow display company (3D+) on August 21 to make a preliminary investigation of costs. Will have a "ballpark" estimate within several days.

Folon Display - Also discussed with 3D+ the sale or rental of our old display originally built to exhibit the original four Folon paintings. This display is in good condition, but is no longer of value to Vista. 3D+ will begin seeking a buyer for us.

Bob

Bob Lamons

/naf

VAB.0001181082

To: J. D. Burns

From: Mary Ann Fisher
Date: August 23, 1985

Interoffice
Communication

Subject: PROGRESS REPORT - LEGAL DEPARTMENT

VISTA

1. Reviewed and outlined latest revisions to the amendments to the Credit Agreements regarding the Trade Credit Support Agreement and distributed to Treasury and Controllers for comments.
2. Discussed employee problem with S & T and recommended course of action.
3. Drafted Minutes of the Polymers Board of Directors meetings.
4. Reviewed status of Brady Watson litigation and drafted letter to outside counsel re filing Motion for Summary Judgment.
5. Reviewed basic format of olefins license agreement which Lummus proposes to use in license proposal to Czechoslovakia, and advised Engineering.
6. Researched antitrust laws and advised Vista management concerning the extent to which territorial limitations may be used in overseas license agreements.
7. Met with representatives from Accounting, S & T, Tax and Treasury to review aspects of trip leasing company-owned vehicles, as well as the longer term possibility of establishing a subsidiary company to conduct a contract carriage business under ICC regulations.
8. Analyzed and discussed with the business area the extensive comments received from Industrial Resins Malaysia (IRM) on our proposed VCM sales and terminal agreements.
9. Advised the Oklahoma City plant concerning the recent proposed revisions to the OSHA reportable workplace injury policy.
10. Assisted in preliminary negotiations with Conoco concerning the Aberdeen and Oklahoma City plants' capital equipment proposals relating to the VCM litigation compliance plans. Reviewed and provided comments on the Oklahoma City plant draft compliance plan relating to the VCM litigation.

J. D. Burns
August 23, 1985
Page 2

11. Met with the Louisiana Department of Environmental Quality to discuss our request for a variance from the financial responsibility requirements relating to the Lake Charles Chemical Complex hazardous waste facilities.
12. Attended project meeting at the Lake Charles Chemical Complex concerning new wastewater regulations, incinerator permitting issues and groundwater issues.
13. Traveled to Washington, D.C. with PVC Marketing and R&D to meet with Keller & Heckman regarding the development of a protocol for FDA approval of Vista resin.
14. Reviewed status of 601 Turbine with Insurance Department and Management. It was decided that legal would call insurance carrier to discuss status of the claim. The call will be made after first giving carrier an opportunity to communicate with our broker.

Mary Ann Fisher
Mary Ann Fisher
Counsel

/ja

VAB.0001181083

To: G. W. Inbody

From: D. H. Sanders
Date: August 23, 1985

Subject: PROCESS ENGINEERING REPORT FOR WEEK ENDING 8/23/85

VISTA

To: G. W. Inbody

From: J. E. Stoner
Date: August 23, 1985

Subject: GENERAL ENGINEERING REPORT FOR WEEK ENDING 8/23/85

VISTA

PROJECTS

Aberdeen - Compound Line One Modernization - Scheduled shipment of the Bolling mixer body remains September 6, 1985. Motor Control Centers are being witness tested this week in Wisconsin prior to shipment. Issued the proposed scopes of work associated with each basis of bids along with bid issue and contract award dates.

Aberdeen - Line Five Operation - Final process design is to be issued August 23, 1985. AFE approval should be within two weeks.

Aberdeen - Reactor Fireproofing - Met this week to discuss alternatives and establish an action plan.

LAB - HF Recovery Tank Sump - Awaiting plant approval of project.

LAB - HF Regenerator Feed Preheat - Equipment has been purchased. Vendor approval drawings should be received in two weeks.

LCCP - Methyl Chloride Pit - Design work is scheduled to be completed by September 9, 1985.

LCCP - TLE Project - Met with Lummus 8/21/85 and approved general arrangement drawings. Next project meeting is scheduled for September 4, 1985.

LCCP - Truck Terminal Drainage - Design work is scheduled to be completed by the end of the month.

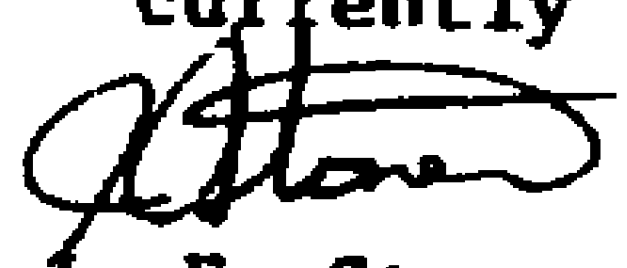
MAINTENANCE AND TECHNICAL SERVICES

Jess Sodowsky internally inspected the new unit recovered VCM receiver at the Aberdeen Plant. Jess continues to work on the initial OKC PVC Plant pressure vessel certificate inspection report which will need to be issued to the State before Oct. 1.

Technical assistance was provided to the LCVCN Plant on the design parameters of the S319 secondary purge knockout drum.

Cindy Gross coordinated welding training for the LCCP.

Lane Johnson is investigating the PPS4 (turnaround planning) program "bug" currently discovered by the LCCP.


J. E. Stoner
068/JES

PVC Plants - The revised Line V Class A design is being issued this week. A report was issued for the July blue-white dry blend test runs. Notes discussing the correlation work of ROL vs. boiling time were issued to the plants for review. The Aberdeen Expansion reactors are correlated separately from the Oklahoma City reactors and the other Aberdeen reactors because of the different volumes and charge sizes.

LCCP - The Class "A" design for the Molex Sieve Test Bed was issued for plant review. The design allows for three test beds to be run in parallel, with one of the three beds being designated for Petresa's use.

An economic evaluation of Roy Young's proposal to provide computer control of the Ethylene Fractionator was issued for plant review.

LCCP Cogeneration - Work continues on defining the economics of taking steam from the Nelson project. The next Management Committee meeting has been rescheduled for August 28th.

LCVCN - We met with the plant to discuss the implications of and review possible technologies required to meet the newly proposed waste water effluent guidelines for toxic pollutants.

Miscellaneous - Engineering will take over the lease of S&T's surplus displaywriter to provide needed word processing capability.



D. H. Sanders

/ls

cc: CRD, JHM, JBC, DEM, FEL, EJM, PFF, RDM, RWC

053/PR

VAB.0001181084

To: E. A. Vogelfanger

9

From: Data Processing
Date: August 23, 1985

VISTA

Interoffice
Communication

Subject: PROGRESS REPORT FOR WEEK
ENDING AUGUST 23, 1985

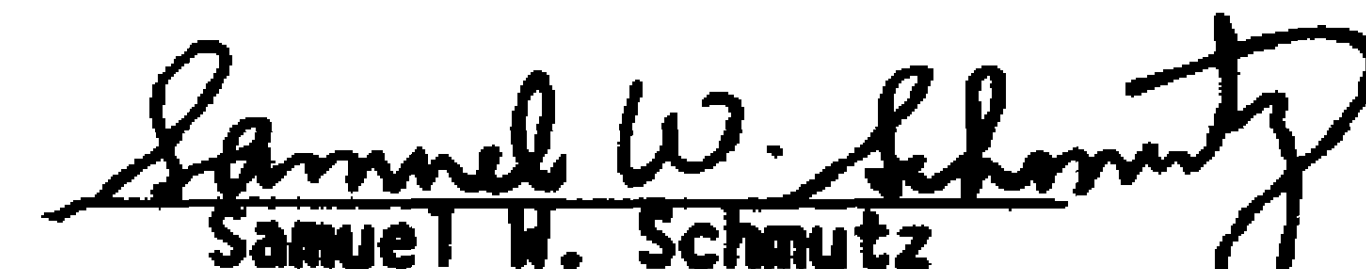
L. R. Thurman reports:

- COEDS - New developments in COEDS that will provide a comprehensive historical transaction data base is nearing completion. We plan to have this mechanism fully tested and installed for the beginning of fiscal year 1986. The intended use of the new data base will be to minimize the time and effort in providing ad hoc reports.

Samuel W. Schmutz:

- Attended Marketing's opening week of training in Ponca City in order to learn more about Vista's business. On the whole, my understanding the business was greatly benefited.
- Data Processing is continuing to evaluate the System 36. In order to get definitive answers, we will likely test one here on site for a period of two months.


L. R. Thurman


Samuel W. Schmutz

To: W. H. Chamberlain

From: Fred J. Endelman and Howard L. Duckworth
Date: August 23, 1985

Subject: Progress Report Week Ending August 23, 1985

Interoffice
Communication

VISTA

KEROSENE

The SOAP committee decided to increase the operating rate for the paraffin unit to full rate in September due to increased paraffin demand from LCLAB. I do not anticipate a problem in locating the required additional 90 M bbl on the spot market.

NATURAL GAS

Finally received a discount gas contract proposal from Mississippi Valley Gas for Aberdeen. The proposed purchase price is \$2.65 + \$.65 transportation = \$3.40/MMBtu, potentially effective August 1. An additional 15¢ reduction from a different supplier is possible in the fourth quarter. We are evaluating MVG's proposal.

We continue to experience difficulties with Conoco LGS in interpreting our natural gas contracts. The latest disagreement involves our transportation agreement wherein LGS operations maintains we must buy 2 Btu for every 1 we are transporting on a daily basis. We maintain this ratio applies only to preferential transport, e.g., during a curtailment, but there is no required ratio under ordinary circumstances. The result is we are well behind in our purchase commitment to May Petroleum, which is our low cost supplier. I have finally arranged a meeting next week with LGS management to review all of our current difficulties.

Fred Endelman

Fred J. Endelman

FJE/ks

cc: J. A. DeBernardi	H. W. Hilgers	L. R. Bauer
G. W. Duchmann	W. J. B. Vogel	R. T. Ferrell
B. R. B. Meyer	P. L. Jernigan	D. W. Friesner
R. J. Andersen	P. Carrico	M. J. Kerlegon
D. Tarantino	R. R. Smith	H. R. Flammer
P. T. Hitchcock	J. Friend	
E. L. Kieschnick	Files: 1.12.1 1.11.5	

FJE15/85/191

To: W.H. Chamberlain

From: A.T. Trent
Date: August 23, 1985

Subject: PROGRESS REPORT WEEK ENDING AUGUST 23, 1985

Interoffice
Communication

VISTA

CHLORINE - VCM

PPG advised they will hold our Cl₂ price for the month of August at \$115/ton. If September prices for PVC do not improve, they will review our price relief request again and most probably will reduce it. Caustic soda prices continue to cause them problems in covering their ECU costs.

ALUMINUM CHLORIDE

Price negotiations have been completed with Vanchlor with the result being our price from them will be 2¢/lb lower than our contract price. They will supply us a truckload per month starting in September under this arrangement. Cost savings for FY1986 is estimated to be \$10,000.

CHLORINE - BALTIMORE

Rumors have it that Linden Chlorine and Plastics will shut down their Linden, N.J. plant September 1st, 1985. This will reduce chlorine capacity approximately 100 tons/day. The Linden plant is primarily a KOH producing plant. Diamond Shamrock will produce KOH for LCP in the eastern region after the shut down.

A.T. Trent

A.T. Trent
ATT/clb

ATT4/022

VAB.0001181086

To: W. H. Chamberlain

From: R. R. Smith
Date: August 23, 1985

Subject: WEEKLY PROGRESS REPORT, WEEK ENDING AUGUST 23, 1985

Interoffice
Communication

VISTA

ALPHA OLEFINS

We met with Ethyl Corporation this week to review Vista's requirement for heavier molecular weight alpha olefins. Ethyl has two alpha olefin streams which appear to meet Vista's potential need. C₁₆-26 and C₁₈-24 alpha olefins are readily available and Ethyl has the ability to remove the alcohol content to the nil level at a cost of 1¢ to 1½¢ per pound. There is a good probability that we will request samples of these streams.

ALUMINUM POWDER

Reynolds Aluminum agreed to FOB Lake Charles for all aluminum powder shipments to Lake Charles. Vista, effective September 1, will be responsible for all rail car and freight costs associated with the movement of powder from Louisville. Savings generated by these changes are approximately \$62,000. per year. Congratulations to Supply and Transportation, Traffic, and Rail Groups, for their analysis which resulted in these savings to Vista.

The average aluminum powder price for September will be 78.22¢/lb. FOB Lake Charles. We were successful in getting sixty day terms on our ingot purchases in September. Cash flow savings are \$4 M.

ETHANE

Spot prices for purity ethane at Mont Belvieu are now 22.25¢ per gallon. Activity is currently light in the market place and product availability appears to be good. We anticipate that the spot market price will continue to rise until the last half of September, at which point, we anticipate that it will fall back slightly. At the present time our third quarter closing inventory is projected to be in the 150,000 barrel range. This precludes additional purchases this quarter unless we are offered a low price to move volumes, which may potentially occur in the mid to late September time frame. Our fourth quarter ethane supply plan will be issued next week for review.

We are currently working with Shell, Exxon and Union Texas to affect an exchange in the third and fourth quarter between the three partners for approximately 50,000 barrels of product. Exxon has not, as yet, committed to the exchange.

RRS5/85/015

Memo - W. H. Chamberlain
August 23, 1985
Page 2

HF ACID

We met with Allied Chemical this week to review deliveries of HF acid to our Lake Charles LAB plant. Environmental problems associated with Allied's first delivery earlier this year were reviewed. Allied has made changes in their inspection program at their plant in the post loading of trucks.

We asked Allied about the potential of an FOB Lake Charles delivery versus FOB Geismar delivery term. Allied indicated that for consideration of additional business, they would seriously consider altering their delivery terms to FOB Lake Charles.

We plan to meet with DuPont in the near term to review freight charges and ask them to be competitive with Allied. If successful, this should save Vista approximately 4¢ per pound on shipments from DuPont.

VCM

We were unable to secure support from PPG for 5,000 metric tons of export PVC business in the fourth quarter.

We are currently working with BFG on the pay back of approximately 12.5 M/lbs. owed BFG by Vista. At the present time, it appears that we will load a vessel in the November time frame to pay this volume back.

R. R. Smith
R. R. Smith

RRS/nls

RRS5/85/015

VAB.0001181087

12

To: W. H. Chamberlain

From: R. J. Onofrey
Date: August 23, 1985

Interoffice
Communication

Subject: WEEKLY PROGRESS REPORT, WEEK ENDING AUGUST 23, 1985

VISTA

EQUIPMENT MRO & SUPPLIES

LAKE CHARLES CHEMICAL COMPLEX

Negotiations have commenced with Lonnie B. Boudreaux, Sales Manager, Trinity Pipe and Fitting, Inc. for the purpose of establishing MRO agreements to cover Vista's major requirements of stainless steel pipe, valves and fittings, as well as B1-LOK tube fittings at the Lake Charles Chemical Complex. Negotiations are targeted for completion on or before September 30, 1985.

LCLAB - HEAT EXCHANGER

Placed an order with Superior Hardsurfacing of Tulsa, OK. for one HF Regenerator Fuel Preheat Exchanger required at Vista's Lake Charles LAB facility. Cost of the exchanger (via competitive bidding) is \$50,240.00 with delivery scheduled on or before December 13, 1985.

Bob
R. J. Onofrey

RJO/nls

RJ04/022

VAB.0001181088

13

TO: H. H. Berat
 FROM: Vista Chemical Europe
 DATE: August 23, 1985

VISTA

Interoffice
Communication

SUBJECT: VCE Progress Report Week Ending - 8/23/85

1. INDUSTRIAL CHEMICALS
 : : : : : : : : : : : : : : : : : :
 YUGOSLAVIA, IPO, EDC/C2/VCM

THE STARTUP OF THE VCM PLANT MIGHT BE DELAYED UNTIL THE END OF
 SEPTEMBER. WE HAVE BEEN REQUESTED TO MAKE AN OFFER FOR 3,000 MT
 FOR EARLY SEPTEMBER LOADING.

SIX COMPANIES, INCLUDING VISTA, WILL BE INVITED TO TENDER FOR THE
 SECOND EDC CONTRACT COVERING 30,000 - 50,000 MT EDC.

IPO IS ALSO INTERESTED IN DISCUSSING SUPPLIES OF UP TO 24,000 MT OF
 ETHYLENE WITH VISTA. WE HOPE TO FIND BACKUP FOR THIS PRODUCT FROM
 SAUDI ARABIA OR LATIN AMERICA.

SOUTH AFRICA, SOEKOR, ODC

WE OFFERED 300,000 LITRES OF ODC TO SOEKOR, THE DRILLING UNIT OF
 THE NATIONAL OIL COMPANY.

2. SURFACTANT CHEMICALS
 : : : : : : : : : : : : : : : : : :
 USSR, ICD, N-PARAFFINS

ICD INFORMED US THAT THE USSR WILL DECIDE BY THE END OF DECEMBER
 ABOUT THEIR 1986 N-PARAFFIN PURCHASES WHICH ARE EXPECTED TO BE
 ABOUT 16,000 MT.

3. PLASTICS
 : : : : : : : : : : : : : : : : : :
 GENERAL

IN THE WEST-EUROPEAN MARKET THERE IS NO SIGN YET OF EXPECTED PICKUP
 IN DEMAND AND THEREFORE THE ANNOUNCED PRICE INCREASES FOR SEPTEMBER
 ARE BECOMING MORE UNLIKELY.

THE EXPORT MARKET IS ALSO QUIET WITH STABLE PRICES.

SHIPPING REPORT

	ANTWERP	SPAIN
MONTH TO DATE	250	64
MONTH BUDGET	1,500	1,000
MONTH FORECAST	770	64

IRAG, MAISON MATHIEU

WE ARE STILL AWAITING CONFIRMATION OF OUTSTANDING OFFER.

IVORY COAST, STPBMC1 (S-65/68)

WE OFFERED 250 MT FOR SEPTEMBER SHIPMENT.

TURKEY, AGRON KABLO (S-71)

WE SOLD 100 MT FOR SEPTEMBER DELIVERY AT AN ATTRACTIVE NETBACK.

4. SUPPLY AND DISTRIBUTION

: : : : : : : : : : : : : : : : : :
 PVC
 : : :

ANTWERP

EGYPT, S-68

WE DELIVERED 250 MT S-68 FOB ANTWERP FOR SHIPMENT TO EGYPT ON
 AUGUST 19.

SPAIN

ROMANU, CAMEROUN S-630

WE SHIPPED 64 MT PVC S-630 ON AUGUST 19 ON THE M.S. MARFIL

VCM

: : :

ON AUGUST 23RD WE LOADED APPROXIMATELY 2,600 MT ON THE MS CALDERON
 IN ANTWERP FOR YUGOSLAVIA.

VISTA CHEMICAL EUROPE

14

08/23/85
Page 2

TO: G. G. Draper

FROM: P. C. Gowan, B. E. A. Larsen
DATE: August 23, 1985

Interoffice
Communication

SUBJECT: WEEKLY PROGRESS REPORT, SUPPLY AND TRANSPORTATION

VISTA

CUSTOMER SERVICE

Plastics

	ORDERS TO DATE	INVENTORY TO DATE	INVENTORY ON 10/01/84
Resin	37,667	11,929 (ABD) 2,210 (OKC)	12,643 3,925
Resin Carryover	2,463		
Dryblend	4,024	2,181	2,806
Compound	3,888	8,444	8,904
Terminals	4,190	2,100	2,168
Total Domestic Pounds	52,232	26,864	29,816
Total Domestic R/E	50,395	23,333	26,057
Export Resin	762	4,456	857
Export Dryblend	873	942	169
Export Compound	254	---	174
Total Export Pounds	1,889	5,398	1,200
Total Export R/E	1,726	5,332	1,119
TOTAL POUNDS	54,121	32,262	31,016
TOTAL R/E	52,121	28,665	27,176

Availability of 5385 remains tight, leading to a strong possibility for carryover in Aberdeen. Orders are not being switched to OKC until the potential for a large export order in early September is defined.

NECO has entered orders for the new plug stock compounds, 26751 and 26931. S&T is working with Aberdeen to keep NECO advised of probable ship dates.

Industrial Chemicals

August MeCl orders total 6.15 MM lbs, with 4.25 MM lbs shipped and 1.90 MM lbs pending. Orders have been received from Jatco, Enenco, Union Carbide (Taft), and ICI.

MeCl INVENTORY (MM LBS)

	TANKS	RAILCARS	TOTAL
As of 8/22/85	1.22	1.52	2.74
As of 8/15/85	0.90	1.00	1.90
As of 8/08/85	1.30	1.60	2.90
As of 8/01/85	1.03	1.73	2.76
As of 10/01/84	0.56	0.49	1.05

ALUMINA INVENTORY (MM LBS)

	SOLEM	HAYES	SIL0	LEASETRACK	PROCESSOR	TOTAL
As of 08/22/85	3.62	1.84	0.64	6.12	0.32	12.54
As of 08/15/85	3.78	1.84	0.33	6.30	0.54	12.79
As of 08/08/85	3.78	1.84	0.47	5.94	0.54	12.57
As of 08/01/85	3.74	2.18	0.57	5.94	0.54	12.97
As of 10/01/84						8.80

Filtrol, Vernon, CA, has informed us that they do not want their final two August hopper cars of alumina if PTV's are 23 or greater. The first two August shipments had PTV's of 23 and 25, respectively.

Chevron's current inventory of alumina at the Elyria, OH location is 1.08 MM lbs - six hopper cars down from seven.

Surfactants

During the Baltimore shutdown, muriatic acid shipments from co-producers have continued. Volumes have exceeded 20 M gallons per day, since all 22" tank trucks are also coming out of Standard Chlorine. We will essentially deplete the Baltimore inventory of 22" acid by Friday, as planned. All pending 22" shipments have been met, with the exception of Merck, Putney, GA. This shipment has been moved into early September. After railcar shipments, the remaining 20" inventory at Baltimore will be reserved for A. E. Stalay. All shipments from co-producers will continue until sufficient inventory is built at Baltimore.

Liquor shipments have been low throughout the shutdown.

Piedmont Labs, Inc. inquired about purchasing LPA Solvent. Their annual volume requirement would be 450 M gallons. Marketing has been informed about their request.

The LPA Solvent barge will discharge at GATX, Argo, IL this weekend. The Whitaker barge will pick up on 8/25 or 8/26. Rohm and Haas has released the remaining cars of Alfol® 1620 alcohol placed on hold earlier this month.

VAB.0001181090

15

08/23/85
Page 3

LOGISTICS

International

The "Columbus Louisiana" is sailing 8/22/85 from New Orleans with 212 M lbs of 5385-1 Resin and 53 M lbs of 5305 Resin for Techni-Chem/JHI in New Zealand.

A 330 M lb 5385-1 Resin shipment for National Plastic in United Arab Emirates will ship aboard the "Barber Perseus" from New Orleans 8/24/85.

We shipped 202.67 MT of Alfol® 10 to Uniroyal do Brasil on 8/18/85 via the "Quinca". ETA Santos: 9/12/85.

5000 MT of VCM loaded on the "Donau" on 8/22/85. Product is headed for Formosa Plastics in Taiwan.

Raw Material

VCM inventories as of 08/21/85:

	-----MM LBS-----			
	<u>IN-PLANT</u>	<u>IN-PLANT TARGET</u>	<u>EN ROUTE</u>	<u>PRODUCTION/ CONSUMPTION</u>
LCVCM	15.10	N/A	N/A	N/A
ABD	7.09	7.5 ± 1.0	4.6	1.12
OKC	4.41	5.7 ± .7	0.71	0.79

Major Raw Material inventories are as follows:

	<u>CURRENT</u>	<u>STANDARD</u>	<u>FY 1985 BEGINNING INVENTORY</u>
Ethane (MM Gal)	13.1	12.5	16.1
Kerosene (MM Gal)	2.84	4.0	4.1
VCM (MM LBS)	34.23	47	59

RAIL OPERATIONS

Fleet utilization for the week was 54%. Railcar availability is adequate to meet production and sales requirements, with the exception of the alkylate fleets. Tight railcar availability continues in the Baltimore and Westlake alkylate fleets. No service disruptions have occurred. Rail Operations is continually monitoring these fleets in order to prevent all potential shipment delays.

PVC plants currently have 140 empty cars on hand. Rail Operations subleased 3 hopper cars to PVC Container Corporation for \$450/car/month for a term of 3 months. Net savings to Polymers is \$3.7 M. We are working with PVC Container Corporation to lease 2 additional cars under the same terms.

08/23/85
Page 4

TRAFFIC

The ICG, in conjunction with several other railroads, have taken selective rate increases on VCM, PVC and other chemicals moving over their lines. This will not affect Vista, due to current contracts and routes we are using.

The BN and G&M meet on 8/20/85 to discuss competitive access to our plant at Aberdeen, among other subjects. The BN has offered the G&M very generous switching charges in order to haul our business. The G&M is to respond to the BN's offer by 8/28/85. BN will let us know their answer.

TRANSPORT AND AUTOMOTIVE OPERATIONS

Dana Page joined Transport and Automotive Operations as an analyst, replacing R. J. Davis, who transferred. Please join us in welcoming Dana to Transport Operations.

The 1986 1st Quarter Capital Budget submittal has been completed and forwarded to S & T management for review.

P. C. Gowan *B. E. A. Larsen*
P. C. Gowan, B. E. A. Larsen

FACSIMILE TRANSMISSION

To: H. H. Berat - VCC Houston

Page 1/2

16

H. H. Berat
August 23, 1985
(Ref. NO.851852)
Page 2/2

From: M. J. Schneider - VCPE Tokyo
Date: August 23, 1985 (Ref. NO.851852)

Interoffice
Communication

Subject: Progress Report - Week Ending August 23, 1985

VISTA

I. Marketing

Japan - we held discussions with Nagase/Nippon Nyukazai regarding further reductions in ALFOL 6 price. We are resisting, but will watch developments from Condea/MBK closely. We quoted New Japan Chemical on two (2) PCL ALFOL 10, October arrival. Seminars are scheduled for next week with K. L. Matheson at MOP, Sanyo Chemicals, Teikoku Kako, and Daiichi Kogyo - major surfactant producers in Japan.

China - Chinese expressed interest in Novel ethoxylation technology. Current consumption of alcohol ethoxylates in China is told approx. 30,000 MT, which mostly comes from Japan. Major purchase is the 9 mole E.O. adduct of C13-15 primary alcohol. Will actively pursue a new sales of ALFONIC/Novel ethoxylates. Will report in detail next week.

Malaysia - negotiations continue with IRM for VCM sales and terminal agreements. IRM comments reported to Business Area. We expect to follow up next week after discussion with MBK.

Australia - we quoted 300 MT ALFOL 1214GC to ICI, 250 MT ALFOL 1216-CO to Albright & Wilson and PCL quantities of ALFOL 16F, 18F and 20+ alcohols.

Singapore - we quoted PCL quantities for ALFONIC 1012-60 and ALFOL 22+. We offered LCL volume of ALFOL SHP ex' Japan.

Taiwan - Mr. Gary Huang, VP, Cargile Co., our agent in Taiwan, visited Tokyo to review VCM and ALFOL alcohol market situation. FPC is experiencing a slowdown in PVC demand and meeting their VCM requirements from internal production.

II. S & T

Preparations are underway to receive the +MYHORN+ cargoes in Yokohama (1500 MT) and Kobe (1000 MT). ETA is August 31 - September 2.

We requested Houston S&T to fix charter for November arrival 450 MT ALFOL 10 alcohol and 300 MT ALFOL 6 alcohol.

III. Joint Ventures

NNK - a meeting was held with Nissan and NNK management to review LAB industry rationalization. Nissan submitted a detailed analysis and recommendations. Our report has been issued to Houston.

NNK is enjoying excellent business results for the four months thru July. Sales and earnings are well in front of last year's same period figures. Leading the advance is new business at Kao (Wakayama) and strong demand at P&G Far East.

IV. Miscellaneous

We are in process of finalizing figures for FY1986 Budget.

Regards,



Mark J. Schneider
VCPE, Tokyo

MJS/KM/ky

VAB.0001181092

17

J. R. Ball
Page 2
August 22, 1985

TO: J. R. Ball

FROM: R. A. Klein
DATE: August 23, 1985

Interoffice
Communication

SUBJECT: SURFACTANTS PROGRESS REPORT

VISTA

Performance Summary
Shipped Plus Pending Orders (M Lbs.)

Alcohol	As Of 08/21/85	Budget	Reforecast	As Of 08/14/85	Current Reforecast %
Total Plasticizer	7,571	8,679	5,077	5,392	149
Total Other Alcohols	7,252	8,786	8,387	6,111	86
Alkylates					
Total Alkylate Equiv.	23,941	24,271	25,533	17,742	94

Progress Summaries

EASTERN REGION:

ALKARIL, Winder, GA - Alkaril has purchased approximately 18,000 gallons of "stop" ethoxylate which was in storage at LCP at \$0.12 per pound, delivered. They will be taking all the material that Vista produces in the future.

ALCOLAC, Baltimore, MD - Alcolac reports that they are purchasing all of their 1MM pound natural alcohol requirement from Henkel. It also appears that Henkel will be expanding their marketing efforts. Alcolac reported that Henkel has begun personnel additions.

COURTNEY INDUSTRIES, Baltimore, MD - Courtney has had production problems with his new reaction line. He thus reports that his take of aluminum chloride liquor will remain at three to four tanktrunks per week for at least the next four weeks.

CHURCH & DWIGHT, Princeton, NJ - They expect the proposal for 1986 pricing on LAB and 3-mole ethoxylate by early September. We have indicated that we are thinking about maintaining our current prices for next year. Also, they have (once again) expressed interest in developing a light-duty liquid.

E.I. DUPONT DE NEMOURS, Wilmington, DE - Despite the current muriatic acid shortage, we were able to provide them two extra railcars for this month. Congratulations to the business area and S&T for their quick and effective response.

ROHM & HAAS, Philadelphia, PA - They have again released the four railcars of ALFOL 1620 alcohol they had placed on hold last week due to problems at their plant. We are expecting smooth sailing from now on.

PROCTER & GAMBLE, Cincinnati, OH - Have awarded Vista 2.3MM pounds of SA-597 business. Deliveries should begin in one to two months.

Will send samples of LAB to our LCLAB plant. They are having analytical discrepancies on chain length distribution at their Alexandria, Louisiana, plant.

Will soon request samples of SA-697 for qualification in preparation of switching to sulfonic acid purchases later in the year.

Have been alerted of the potential corrosiveness of C-640 slurry. Some tanks at Hammond have shown deterioration.

LEVER DETERGENTS LIMITED, Toronto - Reports their sulfonation unit is working well, and have resumed purchases of LAB.

LEVER BROTHERS - R&D, Edgewater, NJ - Report their LA plant will not be purchasing any nonionics for the remainder of 1985 due to spray tower revisions.

LONZA INCORPORATED, Fair Lawn, NJ - Conversations with Charlie Gaiser, Vice President, Specialty Chemical Division of Lonza, indicate that their alcohol sulfate markets are under pressure from their competition and margins are currently declining. They are beginning to rethink their previous position which was that they were in support of stable lauryl alcohol pricing for the alcohol sulfate market. They understand that if the alcohol price were to drop, it would create instability in the market, but they believe they would be successful in managing this instability. At least they state they are willing to take the risk. I would expect pressure from this account shortly for an alcohol price reduction.

With respect to Lonza's amination markets, they are operating below their profit objective for calendar year 1985, but at approximately the same levels as 1984. They are experiencing price competition in the marketplace from Onyx Chemical. When questioned as to why 810 alcohol sales into the amination area were down, Gaiser did not know. His only comment was that sales were going as expected in that area and it was entirely possible that they had made other commitments with another supplier. We will be further exploring the 810 alcohol situation at Onyx.

WITCO CHEMICAL, Oakland, NJ, Technical Center - A meeting was held with the Witco technical people regarding Vista 7050 specialty alkylate quality and Vista 7060L specialty alkylate. Witco has been concerned over the DPA content of Vista 7050 specialty alkylate and would like to set a specification of 17% max. We did not agree to the setting of a specification, but did agree to inform them and have discussions with them if the percentage of DPA in Vista 7050 specialty alkylate was going to exceed 17%.

18

WITCO CHEMICAL, Oakland, NJ, Technical Center (cont'd.) -

The reason for the concern over the DPA content of Vista's specialty alkylates is that a Witco additive package is not able to meet an industry test, and they feel that if they are not able to meet this in the near future, it could seriously impact their sales. Potential reduction in demand for Vista 7050 specialty alkylate could be in the area of 30%.

Witco has made initial evaluations on the 85% distillation of Vista 160L specialty alkylate (N6LB). The initial evaluation looks good, and they are beginning to make plans for the purchase of Vista 160L specialty alkylate.

MIDWEST REGION:

MC KESSON CHEMICAL, Schaumburg, IL - has informed Sales that the recent shipments of flaked ALFOL 16 alcohol was shipped to Helene Curtis, and used in the final run of shampoo before switching to ALFOL 18 alcohol. McKesson has also ordered 34M lbs of ALFOL 18 alcohol.

MONSANTO CORPORATION, St. Louis, MO - is currently in a 5 week turnaround that is scheduled to end the week of 9/16/85. Monsanto has forecasted 3 railcars of ALFOL 6 alcohol for shipment during the second half of September.

EMERY INDUSTRIES, Cincinnati, OH - Samples of flaked cetyl alcohol are being prepared for Emery at Terr Chemical in Pass Christian, MS. When approved, Emery will market this material in the Southeastern States until their flaker is back on stream. Samples should be delivered by the first week in September.

WESTERN REGION

ARMOUR DIAL, Scottsdale, AZ - A tentative list of topics for a cooperative R&D meeting has been reviewed by A/D and plans are proceeding for a firm date.

STEPAN, Anaheim, CA - Anticipates 2 railcars per week of N-600L detergent alkylate for Lever's requirements.

McKESSON, Los Angeles, CA - The 1600 bags of "Contaminated" ALFOL 16F alcohol has been reduced to 761 bags and this number is expected to be reduced also. It appears that only bags with holes had any contamination.

R. A. Klein
OKH

R. A. Klein
Manager of Marketing
Surfactants

dkh

1-3

19

To: R. A. Klein, Houston
J. A. Hall, Houston

(FAX)

From: O. C. Kerfoot, Ponca City
Date: August 20, 1985

Interoffice
Communication

Subject: Weekly Progress Report - Chemicals Research and
Engineering Research Sections - Research and Development
Department - Week Ending August 16, 1985

VISTA

SURFACTANTS

1. P&G's analytical method for propylene glycol demonstrates some inconsistencies when analyzing C-640A. They are actively working to resolve this problem. In the interim, the P&G plant should not reject tank trucks for low propylene glycol.
2. Marvin Osborne and Morey Osborn met with Metalworking in Detroit to discuss status of N6LB sulfonate-based emulsifier. A sample of sulfonate will be provided from Ponca City to expedite approval.
3. Colgate's project looking at Alfonic® 810-20 ES in shampoo now involves both basic research (optimizing performance) and product development (formulating aesthetically acceptable product) personnel. They have requested additional samples for viscosity studies.
4. A revised secrecy agreement between Vista and Dow Chemical has been sent for Dow approval. This agreement will permit Dow to disclose the technology behind the "self-building" surfactants they are developing.
5. Information on the stability of Alfonic® 1412-60 NI has been sent to T. Padron, Lever.
6. A list of potential topics for an October cooperative research meeting has been sent to Armour-Dial. Information on the use of Alfol® alcohols and LPA in food-grade applications has been sent to C. P. McClain, Armour-Dial.
7. A tentative agenda has been established for September 5's technical meeting with Texize.
8. Laboratory studies suggest that short-chain nonionics might be useful as additives (to promote soil removal) in cold-water detergency.

Weekly Progress Report - CRS/ERS
August 20, 1985
Page 2

9. A meeting was held with product management to review and set the direction for further coal chemicals development work.
10. Daphnia Cultures
Daphnia magna (water flea) cultures used in aquatic toxicity testing have been obtained and will be maintained in our laboratory.
11. The Surfactants and Industrial Chemicals Overview Technical Training Course was presented to about 24 attendees.
12. A diol treating reactor was started. A laboratory base case is preceding work to change the chemistry in diol removal to lower nonalcohol content of Alfol® 1214 alcohol.
13. Conditions for use of Eurecat facilities for Pacol regeneration were checked. Attrition resistance of Pacol catalyst is excellent. Heating rapidly to 400°C with programmed increase to 450-500°C will be required to remove the carbon on the catalyst within 18 minutes' residence time.

INDUSTRIAL CHEMICALS

1. A second SSO laboratory reactor is ready for startup, pending a safety inspection. A nickel moly catalyst will be compared on a cost performance basis to CALSICAT 230T nickel catalyst (\$1.50/lb. vs \$8/lb.).
2. Dried neutral alumina sol (pH 4-6) is >99% acid dispersible. LCCP is sending us a drum of acidified slurry for aging to the new product. Dispersions of >15.6% alumina are low viscosity.
3. Plans are to produce a limited quantity of extrudate in Ponca City to use for customer samples. It is anticipated that we will be able to obtain larger quantities from Norton in the near future to use as samples.
4. One gallon each of aged and unaged Chevron type alumina slurry were sent to Norton.
5. Pure MR solvent, a 2:1 MR/LPA blend, and a commercial 1-K kerosene are currently being tested for burning quality as outlined in the 1-K kerosene specification (ASTM D-3699).

3-3

20

Weekly Progress Report - CRS/ERS
August 20, 1985
Page 3

6. Vista Analytical is preparing to test MR solvent for PNA content by UV absorbance according to the test specified in 21 CFR 178.3620. The object is to see if MR should be considered for food or food-contact applications (21 CFR 172.884 and 178.3650).



O. C. Kerfoot



R. L. Poe

1c1

CC:

WRC MFC WAD JTF KDF JOG LRH RTJ JJL
BEL DJL KLM TPM AMN MEO DTP SJR CAS
MLS RCS DLS WLS CMS DRW DLW JBW

21

TO: W.J.B. Vogel

FROM: Surfactants Business Area

DATE: August 23, 1985

Interoffice
Communication

SUBJECT: Weekly Progress Report

VISTA

The Business Area is cooperating with manufacturing to compare paraffin requirements vs paraffin production capability over the next three years. The results will be used to determine if we need to make premake paraffins.

Witco R&D has indicated a very strong interest in looking at any new specialty alkylates Vista has.

The Russians will apparently be back in the C1416 paraffin market in the first quarter of 1986 (CY).

22

VISTA

TO: J. J. Weidner

FROM: T. H. Butler

DATE: August 23, 1985

SUBJECT: PROGRESS REPORT FOR WEEK ENDING AUGUST 23, 1985

Interoffice
Communication

Progress over the last week in Personnel Development and Recruiting is as follows:

PERSONNEL DEVELOPMENT -

Nominations for Training Programs - Fiscal '86 - We have received the nomination forms from approximately 50% of the functions to whom they were distributed. Follow-up has been instituted in order to finalize on the October/November workshops, in view of all the prior activities associated therewith.

Interaction Management (IAM) - Train-the-Trainer Workshop - This workshop has been scheduled for the week of September 16 at the Lake Charles Hilton and will be conducted by Margie Pabst of Development Dimensions International. It will kick off Sunday evening, September 15, with a social hour starting at 6:00 p.m. followed by dinner. Pre-work will be distributed by the end of August to the persons to be trained as instructors of IAM. We await final confirmation of several individuals to be named as participants in this workshop.

The Forum Corp. - Face-to-Face Selling (FTF) - Attended this workshop for prospective clients. It involved FTF for field sales personnel and Managing FTF for the sales supervisor. It is a selling skills/competencies oriented workshop. Exceptional Sales Performance (ESP) and Managing ESP, dealing with the analytical aspects of the sales person's responsibilities (e.g. planning, time management, etc.), was also part of this overview workshop. Further exploratory discussions will be held with The Forum Corp.

Competitive Selling Skills (CSS) Core Program - Participated in the recent CSS Core workshop conducted by Baker Communications for 8 Vista Chemical personnel. An overview of this program - a particular model dealing basically with principles of selling - was presented. Also participated at the end of this workshop to review and discuss the CSS Reinforcement Program - a cassette driven workbook for on-the-job skills practice. The participants were encouraged to engage in post-seminar discussions with their immediate supervisors and establish a planned approach for use of the CSS Reinforcement program.

Measurable Outcomes from Training Programs - If our training interfaces directly with the needs of the job "back home" and transfers quickly and efficiently to the actual situations being faced, it should impact the organization positively and contribute to cost savings and profit gains.

It is the objective of our program for course evaluation to identify measurable outcomes, if in fact such is the case.

Feedback - from those who take the programs and from those who perceive the impact of the training back on the job - is essential, along with the evaluation of the feedback. Our program for course evaluation involves the following:

Anonymous Critiques: These are prepared by the participants. A composite report is prepared which evaluates content, instructor and participant's reaction to the program.

Follow-Up Workshop Evaluations: Several months after the workshop, evaluations are requested of the participants and their supervisors concerning benefits derived (or lack thereof).

Follow-Up Feedback Instruments: The same composite profile, completed in advance of the workshop, will be available on a voluntary basis 6-9 months following the workshop. This will provide the individual with a tool to measure his/her own skill development.

RECRUITING - The recruiting workshop, originally planned to occur during the first half of September '85, has been scheduled for October 10. This was made necessary by the availability of the instructors for the interviewing skills seminar which will require the major portion of the time of our one day recruiting workshop.

T. H. Butler

/naf

cc: JRB

To: R. A. Klein

23

From: R. G. Segotta
Date: August 23, 1985

VISTA

Interoffice
Communication

Subject: Progress Report for Week Ending August 23, 1985

Cash Flow Improvement - As of August 21, the following orders were shipped, but not invoiced due to price discrepancies:

	<u>As of</u>	<u>No. Orders SNI'd</u>	<u>No. Releases Affected</u>	<u>Total SNI Days</u>
Current Week	8/21	8	17	45
Last Week	8/14	14	16	60
Last Month	7/24	19	28	137

1986 Budget - Field Sales and Administrative budgets are being compiled for review on Monday.

Capital Equipment - The economics of buying selected Regional Sales office equipment are being analyzed with respect to continued leasing costs. Purchasing and Marketing Administration are working together in developing a proposal.

MSDS Letters - Initial data entry is now complete for all product groups. Reports for preliminary review by Environmental, S&T, and VCLASA have been generated and data verification is underway.

New Technical Information - Two new pieces are available for field use: Vista MR Solvent and Heavy Aromatic Distillate technical data sheets.

Graphics Software - Updates to ChartMaster and SignMaster software have been made to our software allowing more flexibility and options.

5520 Training - Six new 5520 users are scheduled for training on August 28.

Displaywriter Terminal - The spare terminal previously used by S&T will be transferred to Engineering next week.

Randall G. Segotta

Randall G. Segotta

/eab

24

Weekly Progress Report
Polymers Research Section
Page 2
August 21, 1985

RIGID APPLICATIONS

1. L. G. Haefner was in Aberdeen for three days to assist with resin testing and analysis during a calendering resin test run.
2. J. M. Jones visited Crane Plastics, Vekaplast, Vicoa Corporation (Sherr Shore) to discuss potential RP-200T sales. Crane & Vicoa appear to be future RP-200T prospects; Vekaplast stated they might be interested in buying resin, but not dryblend.
3. Izod impact tests at PRS duplicated the poor impact strength seen on fittings molded at Available Plastics from our experimental dryblends. We are developing additional formulas in an effort to increase the Izod impact.
4. We conducted fusion tests on several resin samples in a fittings formula we believe is similar to Tyler Pipe's. Tyler has complained of fusion variations in 5265. We tested eight 5265 samples and two samples of Oxy resin. No significant fusion differences were seen. No further testing is planned unless Tyler experiences another problem and can provide a sample of "bad" 5265.
5. In an effort to resolve the splay problem experienced with 90172C at Lasco and U-Brand, two experimental formulas were sent to Aberdeen August 9 for preparation of customer trial samples. We are also still attempting to gain access to a Conoco R&D injection molding machine to study this problem.

S. E. McGuire

S. E. McGuire

R. L. Poe

R. L. Poe

ck

cc: JJL CMS HJH JLI RBM
PAS JTF DRW ELS JHM
RBQ(2) KGM(2) GAB(2)

Interoffice
Communication

To: H. R. Flammer, BA-Plastics, Houston
R. E. Swankowski, Marketing, Houston

From: S. E. McGuire and R. L. Poe, Ponca City
Date: August 21, 1985

Subject: WEEKLY PROGRESS REPORT--POLYMERS RESEARCH SECTION

VISTA

RESIN

1. Gardner colors have been determined on five dryer samples from Oklahoma City. Three samples used 15 pounds of Irganox 245 as the antioxidant, and two used 1 1/2 gallons of Isonox 132. The samples using Isonox had colors which were comparable to samples using BHT, while the samples using Irganox had colors comparable to Naugard 492.
2. The OKC sample for Filmco has been tested in Ponca City and has been approved for shipment. It will be tested seven-to-ten days after arrival at Filmco.

FLEXIBLE APPLICATIONS

1. Die-cut pellets of 17461 and 17462 were evaluated at Central Plastics vs. diced pellets and Norplas die-cut pellets. Die-cut pellets from Vista and Norplas extruded 20% faster than the diced pellets. The 17462 (5425 resin) gave a better surface than the Norplas material. The 17461 (5385 resin) was not quite as good as the Norplas; but it did not appear to have hard particles, even though it had failed the 20-second hard-particle test.
2. The sample of 5465 obtained from UTC/Essex-Pauline that had 1.15% volatiles was dried to normal moisture levels. the dry time of the wet resin is about 50% slower than the dry time of the dried resin. Their blender operators commented during our discussions there that they do see frequent occurrences of wet compartments. UTC/Essex at Columbia City and Fort Wayne have also complained several times of wet resin.
3. Vista 17462 weatherstrip was successfully evaluated at the Better-Bilt plant in Prescott, AZ. It is now approved at both of their locations.

TO: Rick Flammer

FROM: Polymers Business Area
DATE: August 23, 1985

Interoffice
Communication

25
VISTA

SUBJECT: WEEKLY PROGRESS REPORT - WEEK ENDING AUGUST 23, 1985

1. Compound orders on the books for August total 4.4 MM pounds -projecting to 4.7 MM pounds.
2. Bird Inc. has a short term need for 500,000 pounds of a tolled siding dryblend. Production for the product will begin next Thursday.

emc

VAB.0001181101

Interoffice
Communication

TO: J. R. Ball

FROM: J. A. Hall
DATE: August 23, 1985

SUBJECT: PROGRESS REPORT - INDUSTRIAL CHEMICALS

As of August 23, domestic sales of key Industrial Chemicals for August are as follows:

SALES VOLUME (M Lbs.)

	<u>Shipped</u>	<u>Shipped + Pending</u>	<u>Budget</u>
Alumina	407	2,038	3,800
VCM	0	2,000	2,900
Methyl Chloride	3,966	6,008	6,568

PROGRESS SUMMARIES

EASTERN REGION

JOHNSON MATTHEY, Wayne, PA (Alumina) - Dave Hood has informed Vista that JMI will accept the 100 lolift bags currently in their inventory.

W. R. GRACE, Baltimore, MD (Alumina) - W. R. Grace has ordered 48,000 pounds of bagged CATAPAL alumina for delivery on October 1 and December 2, 1985. The material will be used to fill a specific W. R. Grace customer order, and therefore timing on additional requirements is uncertain at this time.

UNION CARBIDE, Danbury, CT (Methyl Chloride) - Union Carbide is still deciding on whether to continue manufacturing methyl chloride at their South Charleston plant (requiring movement of HCL through South Charleston) or to purchase methyl chloride from one or more merchant suppliers. UCC should have a decision within the next month. A key negotiation issue for Union Carbide Company, if they decide to buy methyl chloride, will be the FOB point of the methyl chloride shipments (UCC desires FOB South Charleston).

PIEDMONT LABS, Gainesville, GA (LPA Solvent) - Former owners and employees of Southeast Packing have started Piedmont Labs, a contract packer of various aerosol products. Piedmont has approached Vista for information and pricing on 450,000 gallons per year of Vista LPA solvents to be used in oil-based insecticides. A meeting is set up for August 28, 1985, to discuss the specifics.

MIDWEST REGION

UNITED CATALYST, Louisville, KY, (Alumina) - U.C. has evaluated ground CATAPAL Alumina from Fine Grinding as a replacement to Condea's SCF alumina. Results show the CATAPAL may offer an

26
J. R. Ball
August 23, 1985
Page 2

advantage for U.C. because it is somewhat finer than Condea's SCF. Pricing on Vista's ground CATAPAL has been requested, and a larger pilot plant trial will be scheduled.

LAMPLIGHT FARMS, Milwaukee, WI, (LPA) - According to Mike Tindick, President, Lamplight can still obtain LPA-like solvent for under 95¢/gallon in tank cars. However, they will continue purchasing some LPA from Vista because of the advantage of tank trucks and the long business relationship. The volume of business for Vista will depend upon pricing offered by the competition.

CARSTAB, Cincinnati, OH, (Methyl Chloride) - Dr. Raymond Phillips, former Materials Manager, has been promoted to Director of Marketing for the Carstab Division. His replacement is Robbie Rollins from Morton Thiokol's Chemical Division in Chicago.

SOUTHWESTERN REGION

SHELL CHEMICAL COMPANY, Houston, TX, (Alumina) - Shell says their catalyst business has been in the red since March and has been losing money at the rate of \$1MM/month. They say they compete with such companies as Ketjen and American Cyanamide who value alumina at 35¢ - 40¢ on an anhydrous basis. They claim our contract traps them into a certain amount of loss because catalyst prices have declined 50%, and they see no prospect for prices to recover considering the 100% overcapacity status of the hydrotreating catalyst market. Shell provided a rather detailed analysis of their costs, which indeed do not look very favorable for them.

HARSHAW/FILTROL PARTNERSHIP, Los Angeles, CA, (Alumina) - Harshaw/Filtrol seems resigned to not receiving 100% PD cars. However, since the first of July they report receiving 80% bottom drop. The problem these cars cause is a result of the noise produced by the vacuum pump Harshaw/Filtrol uses for unloading.

Since the last group of cars shipped in July had PTV's in the 23 - 25 range Harshaw/Filtrol says that the two cars shipped so far in August, which were also a 23 and a 25, are sure to cause them considerable difficulty. As a result, if the remaining two cars for shipment in August do not have PTV's of 22 or below, they have asked to cancel those orders.

Harshaw/Filtrol has released seven cars for shipment in September and said there is some chance they could add to that. Based on their usual optimism about projected sales they anticipate a good fourth quarter.

EXXON CHEMICAL AMERICAS, Baytown, TX, (Methyl Chloride) - Exxon says butyl rubber orders have slumped and they have slipped from 13M lbs/day of methyl chloride consumption to 8M lbs/day. The result, of course, has been reduced methyl chloride orders. The halobutyl rubber plant in Baton Rouge is still operating at capacity. They do not know whether the butyl rubber business will recover later this fall.

VAB.0001181102

THE CLOROX COMPANY, Oakland, CA, (Alumina) - Clorox Purchasing Department called and reported that their earlier calculation of 10MM lbs of alumina consumption was in error by one order of magnitude. Instead, actual volumes would be between 1MM - 2MM lbs, which is in agreement with the original 3MM lb estimate made by R&D two years ago.

GEORGIA-GULF, Pasadena, TX, (Propylene) - Georgia-Gulf says the railroad has been getting increasingly more particular on the maintenance of railcars. A railroad inspection of the railcars in their yard containing propylene/propane mix found 5 of 13 cars which did not meet DoT regulations. Deficiencies included such things as valves partially shut, defective valves, overloaded cars and missing placards. None of the cars in their yard were Vista cars. Georgia-Gulf has, however, asked all of their suppliers in writing to assure the safety and compliance of all shipments.

AKZO CHEMIE, Pasadena, TX, (Alumina) - Although Akzo's hydrotreating catalyst business has continued to pay its way, their new FCC unit is posting substantial losses. Their technology has not been adequate for the U.S. market and they do not appear to have sufficient orders or prospects for any kind of short or long term solution.

HARRISONS & CROSFIELD, Tustin, CA, (Alumina) - The screened alumina we provided for Harrisons & Crosfield's translucent countertop application still did not pass the test. The product it produced was only slightly more translucent and ended up producing a gray product. Their fire retardant application remains to be tested, but currently we have no suggestions on how to make an acceptable product for their countertop business which is 3MM lbs/year in bags at 25¢.

DOW CHEMICAL COMPANY, Freeport, TX, (Alumina) - Dow's research laboratory in Freeport has asked for a sample of 1/16-inch Catapal extrudate. Their application is some sort of proprietary hydrotreating process. Other aluminas have not been successful in their product, but their researchers claim that according to the specifications Catapal extrudate should work.

EL PASO PRODUCTS CO., Odessa, TX, (Butadiene, Solvents) - El Paso says that CCPC is running their cracker on heavier feeds which has increased their butadiene supply. It is sufficient to keep them operating in the 60% - 65% range. They claim to be at a disadvantage in bidding for streams against such people as Texaco, TPC and Exxon because of their contract positions.

El Paso says DuPont plans to stop making AO1 (Aromatic Oil #1) when their old cracker stops. El Paso uses it in their Oil Field Solvents Division and are looking for a replacement. It appears we should pursue alkylate bottoms, DPA and HAD with them.

FRONTIER RESEARCH & CHEMICAL CO., Missouri City, TX, (ODC, DPA) - Frontier called looking for a heavy aromatic solvent (IBP, 500°F+). They were looking at a bottoms cut from a py gas stream from ARCO. It looks like DPA might fill his application, and a sample is being arranged.

27

Because of logistics, Frontier is replacing Sun as the mineral oil source for their drilling mud, and MR solvent is the best replacement they can find. They were sampled by Delta Solvents and Frontier is trying to decide whether to buy directly from Vista or work through Delta.

CHEMCENTRAL, Odessa, TX, (Solvents) - ChemCentral called asking about AO1. We directed them to DuPont and subsequently found from El Paso that AO1 might be discontinued. We should contact ChemCentral concerning their solvent requirements.

MARKET DEVELOPMENT

CALCASIEU REFINING CO., Houston, TX (MR Solvent) - Arrangements are proceeding smoothly in preparation for a 5,000 bbl sale of MR Solvent (Molex Raffinate) to CRC. CRC will pick up the MR Solvent in TT over a 4-5 day period for delivery to their Lake Charles refinery. The MR Solvent will be used as a JP4 military jet fuel blendstock. Pricing is Platts Gulf Coast pipeline low for jet kero plus 1.5 cpg. With Conoco MR sales priced on a monthly average of jet kero and the CRC sale priced on the higher prices for the month, the overall margin improvement versus Conoco MR sales should be 3-4 cpg.

J. A. Hall /an
J. A. Hall
Manager of Marketing
Industrial Chemicals

/an

TO: R. J. Andersen

28

FROM: Industrial Chemicals Business Area
DATE: August 23, 1985

VISTA

Interoffice
Communication

SUBJECT: WEEKLY PROGRESS REPORT

SOLVENTS

Agreed to sell 5000 barrels of MR Solvent to Calcasieu Refining for use as a blendstock in military jet fuel. Price is approximately 2.5-3.0 ¢/gallon above the Conoco price.

Exxon has expressed an interest in acquiring as much as 500-1000 BPD of MR Solvent. Exxon would blend the MR Solvent with one of their own products and sell the blended product in the solvents market. Vista will respond to Exxon the week of August 26.

METHYL CHLORIDE

Union Carbide needs to decide if they are going to continue to purchase anhydrous HCl or methyl chloride for their Charleston, West Virginia silicone plant.

ALUMINA

Filtrol has decided they need lower PTV alumina than in their current specification. They have suggested cancellation of orders until we meet their PTV need.

TO: J.R. Ball

FROM: R. E. Swantkowski
DATE: August 23, 1985

Interoffice
Communication

SUBJECT: PVC PROGRESS REPORT - Period Ending 8/22/85

29
VISTA

As of 8/21/85, the total resin equivalent of domestic and export orders placed in August is 52,121M lbs.

	<u>TOTAL SHIPPED</u>	<u>TOTAL ORDERS</u>	<u>BUDGET</u>	<u>FORECAST</u>
<u>DOMESTIC</u>				
Resin	<u>26,928</u>	<u>44,320</u>	<u>53,633</u>	<u>42,195</u>
Dryblend	<u>771</u>	<u>4,024</u>	<u>4,833</u>	<u>4,105</u>
Compound	<u>2,551</u>	<u>3,888</u>	<u>4,567</u>	<u>4,902</u>
<u>TOTAL R.E.</u>	<u>29,176</u>	<u>50,395</u>	<u>60,868</u>	<u>48,954</u>
<u>EXPORT R.E.</u>	<u>726</u>	<u>1,726</u>	<u>793</u>	<u>423</u>

PROGRESS SUMMARIES
EASTERN REGION

Any return to a \$0.30/lb.+ market September 1 does not seem likely. Shintech, who has posted \$0.32/lb. for September, has offered September resin to Gold Bond for \$0.255/lb., less \$0.002/lb. net 10-day terms. Still no word from Formosa regarding September. No prebuy volumes of resin are being placed, also indicating disbelief of an increase.

Current average net pricing in the pipe market seems to be \$0.225 to \$0.23/lb.

BAH TERRITORY - Pipe prices as well as resin prices continue to inch down. Pipe is as low as \$68. Extruders are beginning to doubt that a resin price increase in September is possible.

MIDWEST REGION

No sign of firming of resin prices has yet been seen, or even heard. A price of \$0.23/lb has spread across the Midwest this week, and is seen in all major markets - Cresline and Winnebago (pipe), DTG (calendering) and Variform (siding). B.F.Goodrich, while having met \$0.23/lb at DTG, is hesitating to recognize the full effect of the price decline on wire and cable resin. At UTC they have reduced their wire and cable resin market price to \$0.29, which yields a \$0.265/lb net price. GEM resin pricing is also weakening, with prices of \$0.26-0.27/lb prevailing. Pipe dryblend is following suit, with BFG offering twin screw dryblend to Eagle Plastics at \$0.265/lb.

PVC Progress Report
August 23, 1985
Page 2

WESTERN REGION

Pipe sales in August have been slow but not more than usual for August. Very little expectation of a resin price increase exists for September 1. There is the general feeling that if pipe consumers felt there really would be a resin price increase in September or October, pipe sales would greatly increase.

PRIMARY TARGET ACCOUNT STATUS
EASTERN REGION

ARMCO, Middletown, OH - Mike Scott, Purchasing Agent, placed a truckload order for experimental dryblend 5426-149 for Armco's truss pipe application at their Springfield, Illinois, location. Scott also indicated that Vista would have the next purge dryblend order at Springfield, Illinois.

VINYL BUILDING PRODUCTS - The premium of \$0.135 requested for beige color of Vista dryblend is basically competitive with Tenneco pellets on a total delivered price basis. We continue to discuss ways and means of reducing our pigment cost.

SOUTHWIRE, Carrollton, GA - The relatively high pour point of 108P has eliminated its use. Southwire does not have heated storage tanks or lines, thus cold weather would create congealing.

A.T.&T., Greensboro, NC - No progress towards a trial date in Phoenix.

AMERICAN HOECHST CORP., Delaware City, DE - No suppliers have notified AHC of a rigid calendering resin price increase for September 1. The current RCMP at AHC is \$0.29 per pound.

COMPRESSION POLYMERS, Scranton, PA -

1. Dynamit Nobel, CP's only type one sheet competitor, is claiming technical faults with CP's type one sheet. We are working with CP to provide technical data that will alleviate this misconception.
2. CP requested improvement on type 2 formulation to improve die sticking.

MIDWEST REGION
CALENDERING

WIMAN, St. Cloud, MN - A trial with 10M lbs of Vista low hard particle 5385 resin from OKC is being planned. John Lien and Bill Parsons are also considering a trial of 5425.

RP-200T

PROFILE EXTRUSIONS, Hastings, MN - Les Pallin continues to work successfully on the twin screw extruder sizing equipment. Profile Extrusions has 60M lbs of RP-200T Cream White in stock. If things go well, Les hopes to be in production with this first die, on non-Andersen parts, in September. Dryblend requirements for the balance of the year would then be a truck per month, starting in October. When not in production, the twin screw extruder will be used to develop two additional non-Andersen jamb liner dies. Les says the drop-dart impact of RP-200T produced profiles is excellent. He has not yet checked the color of the last lot of RP-200T for color match. Profile samples will be obtained when available.

ANDERSEN, BAYPORT, MN - Allen Hanson received RP-200T Cream White profile samples from Profile Extrusions. Strips will be cut from these profiles and placed in outdoor weathering studies this week.

PRODUCTS BY MARKET
RESIN

PACIFIC WESTERN EXTRUDED PIPE, Eugene, OR - Cancelled 8 cars of resin for August. This is for resin inventory adjustment. Late payments and detention time have been occurring. Plant is running at about 60% capacity. This situation will continue through September.

PIPE & FITTINGS

CERTAINTED CORPORATION, Valley Forge, PA - Vista has agreed to be competitive at \$0.23 per pound net-net for 2MM pounds to the West Coast in August. CT also has this price for September and is protected on the down side.

EAGLE PLASTICS, Hastings, NE - Larry Schnase has agreed to a 1% discount in lieu of 60 day payment terms. This allowed Treasury to release a second railcar of 80273G to this new account. This will also establish Eagle's payment history and credit record more quickly. Potential purchases by year end are 5 railcars per month. BFG is providing Eagle's single screw dryblend needs, and is offering twin screw dryblend at a \$0.025/lb upcharge over resin. Current twin screw dryblend pricing from BFG is \$0.265/lb.

SIDING

CRANE PLASTICS, Columbus, OH - Agreement has been made between Vista Polymers and Crane Plastics to roll over the current PVC sales agreement. Volume is 17.5MM lbs. annually.

VARIFORM, Kearney, MO - states they are receiving offers of \$0.235/lb for siding resin shipments in September. Marsha Hendricks, Purchasing, is confirming an offer of \$0.23/lb.

BIRD INCORPORATED, BARDSTOWN, KY - Bird contacted Marketing requesting Vista to blend 500 M lbs of siding grade dryblend using Bird's formulation. Bird is in need of dryblend due to a contractor's strike during process changes in the dryblend unit at Bardstown, KY. Marketing will visit Bird on 7/22 in order to finalize details, pricing, etc., to toll process dryblend for Bird beginning week of 8/26. Future resin supply opportunities will also be discussed.

WIRE & CABLE

UNITED TECHNOLOGIES CORP., Marion, IN - Spot wire and cable resin prices for August include \$0.27/lb from Shintech and Georgia Gulf. BFG has adjusted the market price to \$0.29/lb, which nets out at \$0.265/lb at month end. Vista's contractual month end price is more attractive for UTC, which should result in extra purchases in August.

CALENDERING

DIVERSITECH GENERAL, Toledo, OH - Calendering grade resin pricing is at \$0.23/lb from Formosa, which price has been met by BFG.

Vista will also meet to maintain position. Insufficient plasticizer absorption at the Columbus, MS plant with Vista's 5385 resin in a specialty end-use has resulted in DTG's partial switch to Geon 31 resin.

DIVERSITECH GENERAL, COLUMBUS, MS - Problems concerning plasticizer absorption, using Vista resin and high levels of plasticizer, resurfaced at DTG. These problems disappeared when GEON 31 resin was used in place of Vista 5385 PVC resin. Purchasing advised that they will begin purchasing GEON 31 resin for use in highly plasticized products, displacing approximately one railcar of Vista resin. Samples of the Vista resin and compound have been sent to the PRS.

DRYBLEND

TRAYCO, Lapeer, MI - Marketing informed Trayco of Vista's interest to develop a supply relationship on a sheet grade dryblend. Trayco has requested a sample of pelletized dryblend to test on their extruders.

FILM GRADE RESIN

RJR FILMCO, Aurora, OH - Don Ralph, Technical Director, indicated that the 500-pound sample of Vista 5385 PVC film grade resin has arrived at his Aurora, Ohio, location. Ralph has requested that I contact him on Friday to determine a date for the trial evaluation.

31

POLYMERS MARKET DEVELOPMENT SUMMARY

Dryblend - Most of this week was spent putting together a Development plan for the Impact-resistant (Type-II) PVC sheet market. Based on the results of contact with 15-20 companies I will issue specific recommendations on developmental account candidates, product requirements, and course of action with respect to two sheet applications on 8/23.

R.E. SWANTKOWSKI

RES/1a1