

From: FRANCIJM--ISCDCVM5

Date and time 02/20/92 10:06:56

To:

*** Resending note of 02/16/92 21:44

ACCOUNT REPRESENTATIVE - Geryl Miloser
CALL DATE - 2/10/92

CUSTOMER: Du Pont Polymers
Parkersburg, WV

MEETING ATTENDEES - FROM POLYMERS:
R. Vaidya - Tech Support - "Teflon"
Copolymers
Roger Zipfel - C-8 Pgm Mgr
Stan Piekarski - FEP Tech Support
Al Behnke - FEP Tech Support
FROM HASKELL:
Gerry Kennedy - CR&D
FROM CHEMICALS:
Nandan Rao - R&D Supervisor
Jeff Alender - R&D Supervisor
Bruce Baker - R&D Chemist
Jim Dowd - Research Associate
Mike Darby - Product Manager
Re Megahed - Sales Rep

ACCOUNT OPPORTUNITY - \$2.5MM within 12-16 months at Parkersburg
\$7.0MM within 3 yrs (Worldwide)

* CALL OBJECTIVE *

- (1) Determine next step in switching from 3M C-8 to an in-house Du Pont product; "Zonyl" TBS is the #1 candidate
- (2) Account turnover.

QUALITY/SERVICE INDEX

Quality and Service = 8
Delivery and Reliability = 8
How's the Relationship? = 8

DISCUSSION OF RATING

In order to use TBS in the "Teflon" process, the sludge problem needs to be corrected. They also need lower levels of acetic acid and iron in the TBS.

Relationship is improving. Both sides appear committed to getting a Du Pont product to replace the 3M C-8 and keep \$2.5MM in-house. Their willingness to form a task team to continue working on this indicates an improving relationship.

* CUSTOMER PROFILE *

In the distant past, Parkersburg tried to use TBS as their surfactant. At that time, several problems arose - difficulty in handling (sludge, acetic acid fumes), yield loss in the coagulator effluent water, slow rates in wet finishing, high volatiles content and off color extrusion. Parkersburg has over come all of the above problems. The melting range of TBS is not as narrow as C-8 and is still a potential problem. However, the biggest issue facing Parkersburg in switching to TBS is the cost

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Group discussion around the pros/cons of switching to TBS can be summarized as follows:

PROS:

- * \$2.5MM out of pocket dollars going to 3M would stay in house
- * less toxic
- * readily available
- * can be done technically
- * greater polymerization capacity
- * technology in house
- * taking \$ from major competitor
- * make high HFP products
- * product safety management is capability in house
- * could potentially use same surfactant for all products

CONS:

- * must requalify customer base
- * not that much less toxic than C-8
- * C-8 testing experience may not apply
- * broader melting range has potential (negative) impact on 200C requirement
- * more color (broad color/low gel is a challenge)
- * know more about C-8
- * large customer (Circleville) will balk
- * product quality not good enough
- * high speed coagulators needed in international sites

* COMPETITIVE CLIMATE *

- * Partnership between 3M and Daiken is a future threat to Parkersburg. 3M was a significant customer of Parkersburg buying fine powder. Now being viewed as a competitor.
- * Daiken will be making FEP in the US within 3 years at \$0.10 - \$0.15/lb. less than Du Pont.
- * Daiken/3M partnership has goal of being #1 fluoroproducts enterprise by 2000.

* OTHER *

- * In addition to Parkersburg, following sites use 3M C-8 (could possibly be replaced by TBS).

SITE	POUNDS
Washington Works	71,100
Dordrecht	31,400
Shimizu	15,950
Chambers Works	2,000
	=====
	120,450 lbs

- * Legal thinks toxicity issues associated with C-8 could turn it into the #1 Du Pont torte issue.

* NEXT STEPS *

Next steps were discussed and some were assigned as follows. Remaining will be discussed at the next Team Meeting on April 13.

- * Improve quality of TBS - less sludge/acetic acid/iron

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Timing: By end of March

- * Start to examine steps to requalify customer base (what needs to be done from marketing perspective)
Resp: Parkersburg - Take to Business Council
Timing: March
- * Begin to determine testing path with customer
Resp: Parkersburg - Determine at Business Council meeting
Timing: March
- * Examine options to product C-8 in house
Resp: Chemicals
Timing: By April 13 mtg

* FOLLOW-UP ASSIGNMENTS *

1. ** ATTENTION BRUCE BAKER/JIM DOWD **

- Send sample of AN to Stan Piekarski
Timing: By 2/20
- Determine what it would take to meet Parkersburg quality needs (less sludge / acetic acid/ iron)
Timing: By March 30

2. ** ATTENTION MIKE DARBY **

- What have we/haven't we agreed to do around producing barium salt at CW for Parkersburg?
Timing: Talk with Mike by 2/23
- Discuss options around producing C-8 in house
Timing: Discuss plan of action for determining this with Mike by 2/23

3. ** ATTENTION WRITER **

- Plan next Team Meeting for 4/13
Timing: Plan by 3/15

cc: BAKERBE --JLCL01 Bruce E. Baker

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