

**Pedersen, John**

**From:** McCaslin, Todd  
**Sent:** Friday, August 05, 2011 2:00 PM  
**To:** Intoccia, Al; Sherry, John; Wheeler, Mitch; Batz, Helge (STP); Schwartz, Scott (STP); Bhalakia, Sujal; Smith, Charles; Charest, Ann; Vialle, George; Cuddy, Christopher; Kelly, Mike (Marlboro); Pedersen, John  
**Subject:** 8/5/11 Update: Uro Polypropylene Resin risk  
**Attachments:** Marlex Uro Resin Search.xls

Folks,  
Here is the latest update on the search for the Phillips Sumika Marlex HGX-030-01 Polypropylene resin:

- 1) Approach Phillips Sumika directly:
  - Discussion elevated to Director of Sales (Frank K.). Learned that Phillips had 70K lbs that was scheduled to be shipped to Sumitomo compounding group.
  - Elevated to General Manager (Bob Rhoades) on Tuesday 8/2. Received a negative response: "We are simply not interested in this business at any price, which is still the basis for our past agreement with your company"
  - We have also since learned that Sumitomo is the parent company of Phillips Sumika
- 2) Utilize 3rd party resin experts:
  - Continue to work with RTI (Resin Technology Inc) to search their extensive list of contacts (distributors, suppliers, consumers).
  - RTI has provided contact to Asahi Kashi Plastics (Michigan office) to assist BSC. (see below)
  - RTI has contacted a large # of companies with no success so far (26 PP clients and 15 Industry contacts).
- 3) Asahi Kashi (AK) Plastics
  - AK plastics is a global company that has over \$13.7 B in sales and > 30,000 employees
  - AKPlastics is a large customer of Phillips Sumika and Sumotomo.
  - We are working with the VP Operations to have them source this material for us.
    - AK - Phillips Sumika directly: They are contacting Phillips to discuss a special run (1 M lbs). AK would take liability and buy for us and arrange for sale of excess.
    - AK - Sumitomo: AK has contacted Sumitomo but the material is not in Sumitomo inventory yet. Expect update early next week. *10-Aug*
- 4) Our distributor and supplier network
  - We have contacted 9 polymer distributors and 15 component supplier with no positive results
- 5) China Sourcing
  - Two options have been identified with distributors in China. Michael Zhao (CRM eng) assisting
  - Distributor #1: (High risk - no C of C) 1 55 lb bag available and 4000 lbs behind that. Creating PO #1. If all goes smoothly, we can get the 1st bag on next Monday. Shipping to Marlboro for testing
  - Distributor #2: \$2500 "sourcing" fee required. More reliable company. C of C should be available. PO for ~~several~~ *4000 lbs* bags by late next week. Shipping to Marlboro for testing. Will purchase the remaining 4000 lbs if tests are ok.
- 6) Maquet (old Wayne facility)
  - Maquet participated in last time buy with BSC in 2005.
  - Using BSC Supply Chain personnel to try to determine quantities in stock.
  - Will then contact Mgnt to discuss sale - could use Sr management assistance

*TM*

*Chem \* Res Sand Fiber  
Maquet \* Vito D.  
Bakworth*



Marlex Uro Resin Search.xls (9...

*1. Handship submission  
2. SIUC LTF vs. submission*

*Chem - Peter Seib  
Phillips*

