

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. SIUK LTF vs. submission

Chem - Peter Seib
Phillips

