Reply from Eastman Kodak — Photographic Plate Supply

I would like to reply to the IAU Resolution to Eastman Kodak Company from the participants in the IAU Symposium 161. I will also update your information on the state of the Kodak Astronomical plate business. The situation is still in a state of flux, and has changed since I last wrote. Since then, we have taken additional steps to see that the plate business remains viable, but we cannot foresee with certainty if they will be sufficient. As always, our intent is to manage the situation so that we can continue to stay in the plate business in a way that will benefit both of us.

Even so, we may be forced to discontinue products because of manufacturing and raw material difficulties, regardless of the demand for them. In principle, a Research and Development program might be undertaken to develop replacement emulsions that would give similar performance characteristics to the current or discontinued plates, but the small volume and low profitability of the market make this improbable. Even though there were no funds for research, we have been able to 'save' some of the plates, particularly the IIIa-J and IIIa-F sky survey plates, by experimenting with alternate gelatin supplies.

We have performed other experiments, but with disappointing results. We have already spent more money than the sales of these products can support. With our estimated minimum costs to investigate ten emulsions, the cost of our experiments could easily exceed our <u>sales</u> for the entire U.S. market. This is not the direction we want to pursue to increase our value to our shareholders.

It has been suggested that outside agencies supply the R & D money required to 'fix' these emulsions. Our experience shows that our estimated cost per experiment may be the minimum and could easily triple before we have an answer — and there is no guarantee that an answer would be forthcoming. In addition, this effort would tie-up the valuable time and resources of emulsion engineers who are currently engaged in more profitable ventures.

With that preamble, I now address myself to the details of the IAU resolution:

Sky Survey Emulsions:

IIIa-J and IIIa-F Emulsions

I feel that we have corrected the gelatin supply problem, at least with the sky survey IIIa-J and IIIa-F plates by making a newer formulation that is acceptable for use in the surveys. These gelatins are currently in good supply, and the sensitometric effects seem to be the same as those obtained with the previous emulsions.

IV-N Emulsions

We have not been so fortunate with the IV-N emulsion, but we probably will have sufficient emulsion to complete some of the needs for the sky surveys. When we announced that we only had a two years' supply of gelatin for the IV-N emulsion, we immediately received two years' supply of orders. Fortunately, after further inspection of our gelatin supplies, we were able to find a small quantity of the old gelatin. Based upon our sales estimates, we believe that this will be sufficient to make the IV-N plates until mid-year 1994. After that time, the IV-N plate will be discontinued.

Blue-sensitive Technical Pan Emulsion

It may be possible to perform some low-level coating experiments of an unsensitized (Blue) Kodak

Technical Plates. We would coat plates since it is much more economical to experiment with plates than films. However, we still cannot predict how successful our efforts will be, and we are not in a position to provide extended experimentation. We would try this experiment on a one-time basis, and provide Dr. David Malin with the plates to determine if they meet his needs. If the plates are not close to his aims we will not be able to provide further experimentation.

U.S. person to contact for plate supplies:

We have recently streamlined our plate operations. There is now one person to contact for all KODAK Glass Photographic Plates ordered in the U.S. by calling 1-800-648-5199 or 716-722-3005. (Export orders will be handled through the originating country in the usual manner.) This number will be used exclusively for ordering all glass plates for the following purposes:

- delivery status information;
- product pricing;
- billing and accounts receivable information;
- technical inquiries.

The toll-free '800' number accepts voice and data (FAX) calls. The line will be staffed from 9.30 a.m. to 2.30 p.m. U.S. Eastern Time, Monday through Friday. A voice mail system and the FAX machine are in operation 24 hours a day, seven days a week. When you place FAX orders to the above number you will receive confirmation of your order within two business days. Mail orders to the following:

Eastman Kodak Company Customer Service — Glass Plate Manufacturing Building 49, Room 510 1669 Lake Avenue Rochester, New York 14652-3713

ATTN: Ms Barbara Seils

Current plate supplies:

Plates that will remain in the line for the foreseeable future are:

KODAK High Speed Holographic Plate, Types 131-01/02

KODAK Projector Slide Plate (Contrast)

KODAK Projector Slide Plate (Medium)

* KODAK Special plate, Type 101-05

KODAK Special plate, Type 153-01

KODAK Spectroscopic Plate, I-N

KODAK Spectroscopic Plate, Type IIIa-F

KODAK Spectroscopic Plate, Type IIIa-J

KODAK Spectrum Analysis Plate, No. 1

KODAK Spectrum Analysis Plate, No. 3

* KODAK SWR Plate

KODAK T-MAX 100 Professional Plate

KODAK Technical Pan Plates

KODAK Process Plate

* We are currently experiencing some difficulty in manufacturing these plates.

Discontinued plates:

The following plates have been discontinued recently:

KODAK Holographic Plate, Types 120-01/02

KODAK Special Plate, Type 098-01/02/04

KODAK Special Plate, Type 156-01/02 (formerly IIa-D)

KODAK Spectroscopic Plate, Type IIa-D/F/O

KODAK Special Plate, Type 157-01/02

KODAK Spectroscopic Plates, Type 103a-O/F/G/D

KODAK Spectroscopic Plates, Type 649-O/F

Note: We will be discontinuing KODAK Spectroscopic Plates, Type IV-N in approximately one year.

I hope that this information has been useful to you. It is never an easy decision to discontinue products that loyal customers have used successfully for years, regardless of the situation behind those decisions. It is my sincere hope that we have arrived at the best decision possible. By discontinuing the plates listed above we have been able to continue manufacturing plate emulsions rather than exiting the plate business altogether. We hope that you will be able to extract meaningful science from the remaining plates.

G.P. BROWN
Eastman Kodak Company
343 State Street
Rochester
New York 14650