

Monsanto

FROM (NAME & LOCATION) B2SC Cumming Paton

DATE March 8, 1972

SUBJECT Aroclor Dielectric Price Increase

TO

1650	P. L. SLAYTON
5080	D. GOODWILLIE
1800	D. R. HANSEN
1650	J. G. BRYANT
1460	D. W. STEGEN
1010	E. L. SHIMLEY
1070	H. R. FORD

→ B2SL T. L. Gossage
B2SC P. G. Benignus
B2SL H. S. Bergen
B2SF N. T. Johnson
B2NK E. M. Potter
B2NQ D. F. Smith - Please ask
COP to take no action till
after all customers notified
by Field Sales
Dielectric pf

We intend to increase Aroclor dielectric prices on April 1 to all customers. Please also note the following changes:

1. Capacitor product line will consist only of:
Capacitor 21 (Aroclor 1221)
Aroclor 1232
Aroclor 1254
Aroclor 1016
Transformer product line will consist only of:
Inerteen 70-30 Transformer
Inerteen 100-42 Transformer
Transformer Pyranol A13B3B
Aroclor 1254
 2. The following products are discontinued:
Aroclor 1242/1248 (Capacitors)
Aroclor 1260/Inerteen PPO (Transformers)
 3. Still available to G.E. (Rome, Ga.) only will be D-50P508S-1 (equivalent to Aroclor 1254).

D-50P508S-1 and Aroclor 1254 will be priced exactly the same.
 4. Still available to Westinghouse only as before will be
Inerteen 54201CM (priced the same now as Inerteen 100-42)
and Inerteen 54201KA (priced the same now as Inerteen 70-30).
 5. Drum differentials in C/L or T/L is increased to \$0.035/lb. and LTL to \$0.055/lb. Smaller cans are also increased.
- Our 55 gallon drums have been changed to give a stronger (and more expensive packing) to further minimize leakage.
6. All fluids are now priced F.O.B. Sauget, Illinois. West Coast pricing will also be F.O.B. Sauget.

MONS 098536

7. Trip-leasing of railroad tank cars are eliminated.
8. Although Aroclor 1254 is priced below Aroclor 1016, it is more expensive on a cost per gallon basis.

Dielectric Price List
Effective April 1, 1972
Capacitor Fluids*

Product	T/C	55 gallon drums		5 gallon cans
		C/L or T/L	LTL	
Capacitor 21 (Aroclor 1221)	\$0.200/lb.	0.235	0.255	0.360
Aroclor 1016	0.205	0.240	0.260	0.365
Aroclor 1232	0.200	0.235	0.255	0.360
Aroclor 1254	0.195	0.230	0.250	0.355

Transformer Fluids*

Product	T/C	C/L, T/L	LTL	30 gallon	5 gallon
				drums	cans
Aroclor 1254	\$0.195/lb.	0.230	0.250	0.255	0.355
Pyranol A13B3B	0.210	0.245	0.265	0.280	0.370
Inerteen 70-30	0.210	0.245	0.265	0.280	0.370
Inerteen 100-42	0.195	0.230	0.250	0.265	0.355

*F.O.B. Sauget, Illinois

Special Transformer Products

D-50P508S-1	G.E. (Rome, Ga.)	As for Aroclor 1254
Inerteen 54201CM	Westinghouse	As for Inerteen 100-42
Inerteen 54201KA	Westinghouse (Sharon/South Boston/ Phoenix)	As for Inerteen 70-30

Customer Notification

Please delay customer notification until Tuesday, March 14
except for the following customer locations:

G.E.	Pittsfield } Hudson Falls } Rome, Ga.	Visit by T. L. Gossage } J. G. Bryant } H. R. Ford }	March 9 March 9
Westinghouse	Bloomington } Sharon } South Boston } Phoenix }	<u>Telephone</u> T. L. Gossage March 10	<u>Visit</u> TLG or HSB } TLG or HSB } TLG or HSB } DRH or CB as convenient }

prior to 3/15/72

Reasons for This Price Increase

1. Monsanto has voluntarily gotten out of much of its PCB business to protect the environment and to preserve the continued usage of these products in dielectrics. All of our efforts in PCBs have been made to enable us to continue to supply dielectrics to the electrical industry. As the attached Wall Street Journal article shows (March 6, 1972) the government may make our voluntary ban a permanent one.
2. Increased costs due to reduced plant productivity and severe curtailment of volume. As our published figures show, the withdrawal of PCBs from all except dielectric uses has cut our U.S. sales by over 30 million pounds per year or 44%. In addition, export sales which ran at over 10 million pounds per year and hence helped on volume have also been cut back.
3. Increased manufacturing costs due to pollution abatement facilities to prevent PCB escape into the environment.
4. Heavy expenses due to biodegradation/toxicity testing etc. related to the investigations touched off by the PCB situation.
5. Increased costs (in capacitors) due to the higher cost of manufacture of the more biodegradable Aroclor 1016.
6. Increased costs due to new style, stronger drums.

What of the Future

1. All dielectrics

We are still doing all we can by biodegradation and toxicity studies as well as work on ANSI to insure that PCBs still can be used in the electrical industry.

2. Capacitor Fluids

We would be remiss, however, if we did not look for alternatives. Dr. Munch is actively engaged in this area but we have two areas to be sure of: physical properties and capacitor performance and environmental aspects in its widest sense. It is no good rushing out with another fluid that may have a fairly good LD-50 or that appears to be biodegradable. Environmental protection means much, much more than that. We don't want another PCB situation three years down the road. We don't think the electrical industry wants that either. We are putting together a presen-

tation on our efforts in new capacitor fluids in the next three weeks. We hope to present this to key capacitor manufacturers: management, production, R & D and purchasing representatives should all be there together. Can you identify key capacitor customers where such a presentation would be of benefit. I suggest:

General Electric
Westinghouse
McGraw-Edison
Aerovox
Electrical Utilities
Sprague Electric
Cornell-Dubilier
Universal Mfg. (Electronic Components)
P. R. Mallory

Let's agree on the list by March 13 and then tell purchasing of our intentions when you let them know our new pricing.



Cumming Paton

CS