PCB Q & A PREPAREDNESS INFORMATION - EPA PRESS CONFERENCE DRAFT

Reacting to pressure from the Chicago regional administrator of the EPA and press coverage from the Great Lakes area, both indicating that PCB contamination is widespread; that control of PCBs is lacking; and that the problem is not confined to the Great Lakes; Russell Train, Federal EPA Administrator, is planning a press conference sometime during the second week of August, probably in Washington, D.C.

At that time he is expected to support the continued use of PCBs in capacitors and transformers but will claim that PCBs are not being adequately controlled, citing the Lakes problem and additional evidence which indicates that PCB levels are rising in the Hudson River, Chesapeake Bay and in Orange County, Calif. He will further exploit this situation to gain public and news media support for the Toxic Substances Control Act which he will claim the Agency desperately needs to control imports and improper use of PCBs.

The national news media and trade press will be present in force and can be expected to seek out Monsanto for comments and reaction. The attached questions are likely to be directed to Monsanto following the press conference. Some of these questions are deliberately tough, even hostile, but that is the way an environmentally oriented newsman or investigative reporter will operate. Our first reaction might well be to eliminate these tough/hostile questions but that won't make them go away so I recommend that we try to structure answers for all of them in order to be properly prepared. MONS 060692

-more-

Q1. Would you describe Monsanto's current sales policy for PCBs?

A1. Monsanto has voluntarily restricted the sales of PCBs since the early 1970s to the electrical industry for use as a dielectric (heat transfer) fluid in sealed electrical equipment such as transformers and capacitors - where no acceptable substitutes exist. This program has been reviewed by a Federal Interdepartment Task Force (consisting of the Office of Science and Technology, Council on Environmental Quality, Department of Agriculture, Department of Commerce, the EPA, HEW and the Department of the Interior). The Task Force report, which is a matter of public record, supports our current program.

Q2. How much PCBs does Monsanto produce annually? Where are they manufactured? Who are your customers (by name)?

A2. Under the current program, Monsanto produces approximately 40 million pounds of PCBs per year. PCBs are manufactured at the W. G. Krummrich Plant, in Sauget, Ill. (across the river from St. Louis). We have furnished our PCB customer list to the Federal EPA in Washington, D.C. We would suggest that you contact the Agency for any information regarding PCB end users.

Q3. Monsanto has stated publicly that PCBs are not a major business for the company and that the profits generated from their sale represent less than one-half of one per cent of total Monsanto Company profits. What exactly is your dollar sales volume and profit for PCBs?

A3. Our PCB profits have averaged about $1 million per year for the past five years.

Q4. What sort of products contained PCBs prior to the implementation of your restricted sales program?

A4. 1. Fire resistant industrial hydraulic fluids.
2. Fire resistant industrial heat transfer fluids.
3. Specialty printing inks where the PCBs imparted properties that improved color and clarity in the printing process.
4. Special adhesives (improved consistency and tackiness), special paints and caulking materials (long lasting properties).
5. Plasticizers (improved stability).

MONS 060693

Q5. It's been reported that PCBs have been found in the tissue of dead Louisiana brown pelicans, deformed seal pups, falcon eggs and various fish. As the sole U.S. producer of PCBs, what is Monsanto's reaction to this?

A5. Monsanto is most sensitive to potential harm to the environment from its products and takes great care to control their entry. It is very difficult to determine the cause of these abnormalities. The mere presence of PCBs in animals and fish is not in itself necessarily the cause of the problem because higher levels of PCBs have been detected in otherwise healthy wildlife species.

Q6. It's been reported that PCBs have produced carcinogenic responses in laboratory rats. There have also been occasions where the material has contaminated animal feed which was later accidentally fed to cattle and chickens. What effect has or will this have on the people who unknowingly ate the PCB infested food? Isn't there a chance they might develop cancerous tumors?

A6. The levels of PCBs reported in food have been low and are reported by the FDA to be decreasing. It is our understanding that food contaminated with these low levels is considered by the FDA to have no effect on humans. We are not aware of any case relating PCBs to cancer in humans.

Q7. If PCBs are a potential carcinogen, how do your PCB production employes feel about working with the material? What sort of safeguards and monitoring program do you provide for these workers to assure their protection? Have any Monsanto employes involved with the manufacture of PCBs ever developed a liver, bladder or kidney tumor?

A7. The PCB unit is considered by most if not all of our employes as one of the most desirable assignments at the plant. Exposure to the material and its vapors is very limited, protective clothing and related safety equipment is not only provided but required. Proper ventilation is also provided and standard industrial hygiene practices are followed. We perform routine maintenance and safety inspections on all the manufacturing equipment and we continually monitor and sample the workers' environment. To our knowledge, no Monsanto PCB employe has developed any kind of PCB-related cancer. Each plant employe undergoes a thorough, mandatory physical examination every year.

-more-

Q8. What sort of safeguards does Monsanto take at the source of manufacture to prevent PCB pollution?

A8. Monsanto aggressively controls losses to the environment during manufacture. The program is one of containment, backed up by "catch basins." Current measurable losses to the environment are less than 0.001 per cent of total production and there is no detectable level in the atmosphere. In addition, we have installed a special incineration (at our Sauget, Ill., plant) that effectively destroys spent PCB material. This service is further made available to our customers to aid them in their disposal efforts.

Q9. Why has Monsanto continued to manufacture and sell PCBs, even in a restricted way, in the face of overwhelming evidence that clearly indicates this restricted program has not been effective in controlling PCB entry into the environment?

A9. We continue to manufacture and sell PCBs because the electrical industry needs fire resistant dielectric fluids to maintain the current safety features and to meet current electrical codes which mandate the use of fire resistant fluids. At this time the industry does not have a proven fire resistant alternate to turn to.

Q10. In view of the evidence recently presented by the EPA, regarding the documented and widespread PCB contamination and the apparent lack of control, does Monsanto now plan to reconsider its position and will you voluntarily discontinue production?

A10. We consider our present restricted sales program to be adequate and have no plans to abandon our customers' needs.

Q11. I know that PCBs are used in sealed systems in the electrical industry and that Monsanto claims there are presently no proven, effective, fire resistant alternate products available. What then would the electrical industry do if PCBs were banned? What sort of trade offs would be involved in switching to some other product?

-more-

A11. The electrical industry would be forced to use fluids which offer considerably less fire resistance forcing fire insurance rates up and obviously compromising safety. This would, in addition, require the development of totally new engineering and design concepts, i.e., fire vaults, sprinkler systems, replacement or at a minimum retrofitting all transformers and capacitors currently in use. It could further lead to inefficient power distribution resulting in high energy losses and the need to build additional generating capacity. For example, if PCBs were suddenly banned, imagine the retrofitting problems involved with replacing every capacitor in every single mercury vapor and multi-tube fluorescent lighting fixture in the U.S. The installation of a non-fire resistant capacitor in every one of these units would represent an enormous engineering design challenge and would have a great adverse economic impact on the industry and the consumer as well. These units would be from two to four times larger than present PCB capacitors and would therefore have to be mounted in the ceiling instead of in the fixtures themselves and they would not be fire resistant.

Q12. Monsanto has repeatedly argued that, because current usage has been restircted to "closed systems," a ban on manufacture would do nothing to correct the environmental contamination. I would like to know how you reconcile this position in the face of documented scientific evidence that repeatedly confirms the presence of increasing levels of PCBs in the Great Lakes, the Hudson River and other bodies of water?

A12. No one really knows that PCB contamination is actually increasing. Scientists and other researchers, including Monsanto, only became aware of their potential hazard to the environment and indeed their presence in the environment within the past five years. When these facts became known, testing programs were begun and have steadily accelerated, in part aided by improved analytical techniques, the widespread use of gas liquid chromatography (which is capable of detecting miniscule parts per billion) and the growing number of independent testing laboratories that have opened up in recent years.

-more-

Q13. Monsanto may be responsible and conscientious in trying to control PCBs, but what assurance is there that your customers and, in turn their customers, share your concern and are acting in a responsible way? Does any law currently exist that requires your customers to control losses to the environment, either during use or disposal?

A13. Our customers have developed, through the American Standards Institute, guidelines for the proper handling and disposal of PCBs. They have, in turn, shared these guidelines with their customers. Also, through their trade associations, they have an active program to emphasize the need for control of PCBs. Currently there is no law specifically covering PCBs. However, there are numerous state and federal statutes currently in force pertaining to air and water pollution that empower these agencies to regulate effluent discharge.

Q14. I understand that PCBs are used in the small capacitors found in virtually every fluorescent light fixture used in the United States. These capacitors have a relatively short life. How do you know what happens to them when they wear out and are discarded?

A14. We recommend the use of properly managed and authorized environmental land-fills to safely dispose of spent or otherwise defective capacitors. These are specifically designed, constructed and monitored land-fills not to be confused with common garbage dumps. We recognize that many communities do not yet have the capability to construct and operate these environmental land-fills. Since the possibility still exists that in communities without these land-fills, PCBs in discarded capacitors could eventually find their way into bodies of water, we began, in 1971, production of modified PCB material which contains fewer of the persistent isomers. This modified material has been universally accepted by the capacitor industry and greatly minimized the pollution potential.

Q15. Monsanto is referred to as the "sole" U.S. producer. Is this really true? I've been told almost anyone can make PCBs, literally in a bathtub. Have you heard of any "bootleg" production?

A15. We have heard on occasion that others have produced PCBs but this production appears to be sporadic and is difficult if not impossible to trace.

Q16. What about imports? I'm told PCBs are regularly imported, with no restrictions, and they are used in many open product applications. Is this true?

A16. Yes. The EPA has informed us that imports of PCBs readily enter the country. There are no restrictions on the use of these imported PCBs as far as product application is concerned.

Q17. If there is no law to assure proper use and disposal by your customers and their customers, no legal means to regulate or ban "bathtub operators" and no control or restrictions on imported material, don't you think some form of legislation is necessary?

A17. Yes, we not only think some form of reasonable legislation is necessary but would indeed support it enthusiastically. We further feel that our control program could well become the model for such reasonable legislation.

Q18. The EPA cites the current PCB problem as an example of why the Agency desperately needs the Toxic Substances Control Act. What is Monsanto's position regarding this legislation?

A18. Monsanto Company's corporate policy, as exemplified by our social position statements, supports government actions which we, in good conscience, believe are needed to protect health and the environment.

Consequently, Monsanto has always supported the enactment of reasonable toxic substances legislation. By reasonable, we mean legislation which will result in benefits to the American Public without costs grossly exceeding those benefits.

While there is no question that Monsanto and the majority of other chemical companies would act in a responsible way without the requirements prescribed by such legislation, we recognize that there remain certain gaps in regulatory control that fail to provide adequate safeguards to protect against some types of negligent or thoughtless acts which might negatively impact the American Public and the chemical industry as a whole.

While we favor additional authority to control these gaps, we object emphatically to any prospective legislation that would impose broad, sweeping controls that overlap and duplicat the authorities of existing laws. A number of bills (in both

the House and Senate) have been proposed and are currently being considered for passage. Of these, the bill introduced by Representative McCollister as H.R. 7664 comes closer to reflecting our position than any other piece of such legislation that we have seen. However, in our judgement, even this bill, in its present form is far from reasonable and would require some important modifications before we could support its passage.

Q19. A recent New York Times article claimed that Canada and Britain have already banned PCBs. Is this true?

A19. No, it is not true. Neither Canada or Great Britain have banned PCBs.

Q20. I've heard that a black market has developed in used PCBs. Do you have any knowledge of this?

A20. We have no direct knowledge. However, the EPA has indicated the probable existence of such a black market and we understand the Agency is investigating this situation at the present time.

-oOo-