

H. S. BERGEN - ST. LOUIS

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Aroclor [unclear] 17*

PERSONAL & CONFIDENTIAL

J. R. DURLAND - TOKYO

I believe that I briefly discussed with you the last time we talked about the Aroclor-PCB pollution problem. I think it is time now that we up-dated you a little more on this problem so that you can assess the implications that it has for MMK operations as well as coordinating our action plans harmoniously.

Enclosed is what we call the "Executive Summary" on the PCB pollution problem, along with a general statement which we have been issuing to anybody that inquires from the press or other outside sources.

In the Executive Summary you will note that we were planning a CDC presentation on November 17. This meeting has now taken place and enclosed for your own confidential use are the excerpts from that meeting, along with the conclusions.

We are now in the process of assigning a Worldwide Project Manager and hope to have the announcement on this within the next few days. Other phases of the action program are already under implementation.

We anticipate developing our total worldwide plan in accordance with the conclusions so that we can make a further presentation to the CDC in late January or early February, 1970.

In doing this, we want to be certain of several factors; namely: (a) what the other worldwide producers intend to do, if anything, and; (b) what impact does this have on major customers and what alternatives do they have in other Aroclor products, such as Aroclor 1242, 1248 or other Monsanto alternatives, such as phosphate esters, etc.

It is quite possible that if we find that European Nations and Japan are not concerned with this pollution problem and that it is one that exists primarily in the USA, we might continue to manufacture these products for our ex-USA business. At this time,

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we do know that the U.K. is quite upset and doing a lot of investigation on their own and we hear that this is spreading to Germany and France. John Mason and Norbert Dahlstrom will be following up further in the next several weeks with Bayer and Prodelec to get their attitude. We would appreciate it if you could determine Kanegafuchi's attitude and give us the Japanese viewpoint.

The biodegradation test program is underway and we are optimistic that Aroclor 1242 will be acceptable. We are not so certain, however, of Aroclor 1248.

In the Fluids area, our major concern is in the electrical area and primarily in transformers. However, here again, most of our transformer customers are going to Aroclor 1242 or Aroclor 1248 in preference to Aroclor 1254 or 1260. Capacitor customers are primarily on Aroclor 1242.

In the Terminol area, we only have one major customer on Aroclor 1254 and we will convert them to Aroclor 1242 or 1248.

In the Industrial Fluids area (Pydrauls), however, it is somewhat of a different story and we are reformulating our Pydraul line, particularly the Pydraul F-9, AC and 625 — none of which you are seriously interested in in Japan. We hope that Pydraul 312 will not have to be reformulated, but again, we are still developing alternatives to that.

Some of these other alternatives utilize other Aroclors which are not being found in the environment, such as Aroclor 5460 and some of the TCB's and phosphate esters. We are also pioneering a new phosphate ester which we think will give us a lead position performance-wise and which is unique to Monsanto chemistry.

Above all, we do not intend to do anything precipitously and want to have a fully coordinated program and we would value your comments. I would appreciate hearing from you.

Best regards,

H. S. Bergen

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