GENERAL ELECTRIC

GENERAL ELECTRIC COMPANY

100 WOODLAWN AVE. PITTSFIELD, MASS. 01201

EDWARD L. DOBBINS
COUNSEL
TRANSFORMER AND
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EQUIPMENT DIVISION

AUG 25

August 21, 1975

Mr. W. B. Papageorge
Monsanto Industrial Chemicals Co.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63166

Dear Mr. Papageorge:

This is a follow-up to my telephone conversation with you last week regarding the allegation that a Dr. Donald Mount of the Duluth Water Quality Control Laboratory was circulating a story to the effect that General Electric was loose in its control of the Pyranol sales. I called Dr. Mount and he was quite surprised that somebody was taking his name in vain and circulating that story since he said that, to the best of his knowledge, he had never had any occasion to contact General Electric on Pyranol or any other subject. I explained to him our control procedures just as a matter of information and then we went on to discuss the PCB problems in the Great Lakes region in general.

You will be interested to know that Dr. Mount believes that the PCB problem does not arise from its use in transformers and capacitors because the situation is so widespread. He believes that there must be heavy imports taking place for their use in other products.

For your information, I am attaching a copy of a field letter we issued in April, 1972 relating to the bulk sale of Pyranol. The most important control as far as careful handling is concerned stems from the indemnity agreement that we require the purchaser to sign before he is sold any Pyranol.

Very truly yours,

Edward L. Dobbins

ELD:iw

cc:
EL Simons

PLAINTIFF'S EXHIBIT 50

SPOR

Service Performance Quality Reliability

April 18, 1972

RECEIVED
AUG --
EDWARD L. DOBBINS

Information Letter - MT-166

MTD SPOT

To: Holders of SPOT ✓
File this under
Information Letter Tab of Section I

SUBJECT: SUPPLY PYRANOL

TO: FIELD SALES DISTRICT MANAGERS
FIELD SALES ENGINEERS
PLUS SELECTED PRODUCT DEPARTMENT SALES MANAGERS,
INTERNATIONAL SALES DIVISION, FASO, I&SE &
SERVICE SHOP PERSONNEL

Since early 1970, Monsanto Chemical Company, sole supplier of Pyranol, has advised that this material, under the generic term askarel, contains polychlorinated biphenyls (PCB). Polychlorinated biphenyls are highly stable compounds and are not readily biodegradeable. Therefore, when placed in the environment, they may be considered contaminants and may adversely affect some species of animal and marine life.

At that time all customers were advised through Sales Channels to take every precaution to prevent any entry of this material into the environment through spills, usage, leakage, disposal, vaporization or otherwise.

In the past we have supplied Pyranol to transformer repair shops, and to companies requiring these products for top-up of existing transformers. Pyranol was also available from Monsanto under GE Specification A13B3B without restriction regarding its usage.

These sales have been discontinued by Monsanto as of January 15, 1972, except to those who have entered into special agreement to indemnify Monsanto with respect to this product for use in transformers.

General Electric has agreed to indemnify Monsanto for this use, as have several other major manufacturers. Some manufacturers have chosen not to indemnify Monsanto and have decided to discontinue manufacturing askarel-filled transformers.

The Medium Transformer Products Department will be the only supplier of GE transformer Pyranol effective immediately. This is further defined as follows:

1. All orders for supplying Pyranol for all General Electric Company Pyranol transformers will be placed on the Medium Transformer Products Department, Rome, Georgia.

2. MTPD, Rome, may ship direct to customer or from Monsanto Chemical Company when circumstances warrant such shipment, but orders will always be placed on Rome.

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3. Sales by Rome are only for use in askarel-filled transformers including repair and maintenance of any askarel-filled transformer, and for use in any new GE-manufactured transformer.

4. Bulk sales for askarel-filled transformers only will be made to the following customer classes:

    a) Utilities.
    b) Industrial and other customers for their own use.
    c) Service shops for transformer use only.

5. Sales will not be made to:

    a) External OEM's for their own use.
    b) Distributors for resale.
    c) Other external customers for resale, except for an independent Service Shop to fulfill a service contract on their customer's transformer.

6. All bulk orders to MTPD, Rome, from external customers must be acknowledged with the attached statement.

All Sales Departments must not only include this Indemnification Clause but state on the customer's purchase order and the GE requisition that the material is for transformer use only, before the order will be fulfilled by the Medium Transformer Products Department.

Other fluids for transformer use are presently under study which exhibit a higher degree of environmental compatibility. Studies indicate that some of these are feasible for use in transformers. However, until these materials have been proven suitable for transformer use, the above policy will remain in effect.

In the meantime, Handbook Section 5713, pages 1, 2, and 3 have been withdrawn and are being reviewed by the Medium Transformer Products Department, Rome, Georgia.

Please refer all requests for quotations on supplying Pyranol to:

H. J. Pinson
Specialist - Product Service
Medium Transformer Products Department
Rome, Georgia 30161

R. W. Frahm

R. W. FRAHM
MANAGER-MARKETING

:hs
Attach.

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Add to terms and conditions of sale on acknowledgment form which will be sent to the Purchaser in each instance, the following:

This material is sold on the understanding that it is for use in transformers only.

Pyranol® contains polychlorinated byphenyls (PCB's) which tend to persist in the environment and, therefore, care is required in its handling, possession, use and disposition. Accordingly, Buyer agrees that it shall defend, indemnify and hold harmless Seller, its directors, officers, employees and agents from and against any and all liability or expense whatsoever arising out of, or in connection with, the possession, handling, use, sale or disposition of such Pyranol® purchased by Buyer on this order which relates in any way to contamination of, or adverse effect on, any part of the environment including but not limited to humans, all other animal life, plant life or food by reason of such Pyranol®.

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