Monsanto

FROM (NAME & LOCATION) Richard Davis - B2SF

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SUBJECT PCB TASK FORCE

REFERENCE

TO : J. R. Savage
B2SL

Here are my comments on the prior PCB contingency plans.

In general:

The prior plans are pretty complete, but I would like to see more on:

1. assessment of competition;

2. the chemistries we want to supply and why;

3. what to do about the transformers now in the field, regards top up, replacment of fluid and disposal of PCB by incineration.

Thinking out-loud:

A. TO PHASE OUT PRECIPITOUSLY

1. We need to shut down the plant, cut off raw materials, get rid of inventory, find new uses for our plant and captive raw materials, explain our position to employees, industry, government and the public.

2. Our customers need to deal with the fluid inventory, capacitors and transformers they have on hand. If customers have no proved replacement, they are out of business, might be sued by customers and municipalities, unable to fill Department of Defense orders, etc. Chaos would reign.

3. Therefore, there should be a product available, at least on a temporary basis; for use at the equipment manufacturers own risk, which is a direct replacement for AROCLOR, and available at any reasonable price; a product with toxicity and carcinogicity proved OK and ecological effects at least probably OK, even if not yet proved.

4. What about the transformers in use? Top up with the new fluid or drain and refill? Is the new fluid "UL approved" or must users add fire extinguishment equipment?

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B. TO MAINTAIN OUR MARKET POSITION

1. We need to know where we stand versus competition, the chemistries we want to supply and be sure we understand customers needs and wants in terms of compatibility with their long-term equipment designs.

2. Maintain technical and administrative contacts with key customers at various, appropriate levels. Demonstrate a truly cooperative effort, maintaining customer confidence in us as "a partner".

3. Keep communications open with government.

4. Develop AR and make replacement products available at pricing consistent with our desired long-term market position and profitability.

5. Involve NEMA, UL, etc., early to assess odds of developing an acceptably fire-safe, non-PCB fluid for transformers.

6. Consider handling of fluid now in transformers in the field: top up, drain, incineration.

Richard Davis

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