

Monsanto

FROM (NAME & LOCATION): W. R. COREY - B2SA

DATE: January 3, 1972
SUBJECT: WESTINGHOUSE VISIT/PITTSBURGH
REFERENCE: DECEMBER 14, 1971
TO: FILE

cc: H. S. Bergen
C. P. Cunningham
J. Mason
E. J. Putzell

On December 14 Mr. E. J. Putzell, John Mason, Howard Bergen and I met with executives of Westinghouse in Pittsburgh to discuss the PCB situation and its many ramifications. Those attending the meeting from Westinghouse were:

Mr. Matthew McDonough, Executive Vice President
Mr. Carlisle P. Myers, Vice President & General Counsel
Mr. Babcock, General Manager Transformer Division
Mr. Sauter, General Manager Capacitor Division

Mr. Mason reviewed the history of the recent events leading up to our decision to have the meeting. He pointed out the numerous studies indicate that PCB's may be accumulating in the environment. He further stated that in some instances PCB's have been found in food or in the food chain. He further informed the Westinghouse group that because of Monsanto's concern over this problem we are discontinuing sales of PCB's in all applications except as dielectric fluids for use in transformers and capacitors.

It was further stated that since Monsanto understands, and Westinghouse confirmed, that PCB's are essential in the manufacture of certain types of transformers and capacitors, Monsanto desires to continue to sell PCB's for these closed system uses. However, in order that Monsanto may continue to make such sales a Corporate decision has been made that such sales must be made in conformance with certain restrictive policies which have been adopted.

Mr. Putzell explained that because of the legal exposure involved we must require that our customers using PCB's for dielectric applications sign agreements to indemnify and hold harmless Monsanto in the use of these products. Such an agreement was left with the Westinghouse people and they were requested to sign it.

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The entire PCB issue was discussed in detail and it was felt the Westinghouse executives had a full appreciation of the situation and understood Monsanto's position. They agreed to give the matter immediate consideration and we left with the understanding that Mr. Myers would contact Mr. Putzell as promptly as possible with Westinghouse's decision. They were told that timing is a very important concern and that it would be most important to us to receive an answer from them by mid-January 1972.

Before the meeting concluded Mr. Bergen explained that the economics of our PCB operations have been adversely affected because of our discontinuance of all sales for other than dielectric uses and our total production has been reduced by nearly 50%. For this reason it will undoubtedly be necessary for us to increase the price of PCB's on our remaining sales to the electrical industry and on questioning he indicated the price increase would probably be in the range of 3-5¢/lb. The Westinghouse people with whom we talked understood the problem and it was felt they would not be surprised when we increased the price.


W. R. COREY

/JF

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