(Excerpt ...

2. Organic Division - Report on PCB Status - Messrs. H. L. Minckler, J. Mason, C. J. Smith, W. B. Papegorge, H. S. Bergen, J. E. Springgate, R. E. Kelly, E. P. Wheeler.

Total Aroclor business represents $21M sales returning $10M gross profit on $13M gross investment.

- Sales of non-degradable Aroclor (1260,1254 and possibly 1248 ~~envelopes~~) account for $18M sales - $15M in functional fluids and $3M plasticizers.
- ~~Solid aroclors and~~ A1221 are degradable and pose no environmental threat.

Solid aroclors are not PCB's and have not been found in the environment

Division has maintained an aggressive program of customer education, and cooperative efforts with research organizations, governmental agencies and wildlife groups to identify the scope of the problem, eliminate discharges, improve analytical methods and conduct toxicity studies.

- Concerned agencies and groups are appreciative of our efforts.

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- FDA indicated it was contemplating a residue level of 0.5 ppm in milk and 5.0 ppm in food.

Publicity about PCB's has been limited to a few articles in scientific publications and newspapers until Congressman Ryan's press conference implicating Monsanto and the products.

Program has been established to curtail discharges from our plants which has reduced levels by 90% and will eventually nearly eliminate any PCB effluent.

Sales are being terminated to a number of industrial users where there is inadequate possibilities of control, for such uses as:

- pesticide extenders
- medicinal, dental and cosmetic
- cutting oils
- distributor sales.

Plans are prepared for phasing out of businesses within a year, in industrial fluids, amounting to $5M sales, and for sealants, coatings adhesives and paper coatings, amounting to $3M in sales.

- Substitute products are being developed to replace the non-degradable aroclors.

Sales will be continued for transformers, capacitors and heat transfer uses which are closed systems or sealed units and which permit reclamation or other control of material.

- Transformers and capacitors are dependent upon aroclors for reliable operation and no substitute product is available.

Conclusions:

The Committee felt that while the division had taken major steps to resolve this problem, more affirmative action must be taken. As the sole domestic producer of the product, we have a special responsibility. It was decided that the division should discontinue sales by June 1 for all uses except for

transformers and capacitors/~~ballasts~~) and to NCR, for which there are no substitute products. A replacement product should be developed on a crash basis for the NCR application.

It was decided that the affirmative action being taken should be communicated to concerned governmental agencies together with the reasons for continuing sales to the limited uses which would involve major public hardships if immediately discontinued. Mr. Putzell was asked to discuss the legal implications of this program with counsel for NCR and electric equipment manufacturers. Messrs. Eck, Putzell and Gillis are to recommend actions to demonstrate the affirmative program being taken. The division is to report its specific plans to the Committee by June 1.

(Excerpt to Messrs. Hinckler, Smith, Kelly and Hart

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