BY DEX TO D.WOOD - ST LOUIS September 28th, 1976
FROM A.ARPINO - BXL (DB 50)

PCBs Q & A

(To be used in answering UK press queries following the October 4 US announcement and prior to a Monsanto Europe statement before the month-end)

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Q: What is the situation in the UK following the announcement by your parent Monsanto Compan to stop PCB production next year ?

A: ~~About half our our PCB customers are in the UK and we~~ are in the final phase of discussions with the government and the electrical industry regarding the effect of this decision. Monsanto's Newport PCB unit employs less than 10 people and there will be no redundancies since these men will redeployed elsewhere at the location. On the customers side, we intend to ensure that users will be given a reasonable period to ensure continuity of PCB supply from other producers or to enable plans to be implemented for conversion to non-PCB containing products. ~~Monsanto will be meeting with industry representatives in~~ the UK mid-October and hopes to be able to make a further statement before the end of October. MONS 056928

Q. Why is Monsanto pulling out when the recent OECD directive approved the used of PCBs in certain applications ?

A: The OECD directive basically follows the line adopted by Monsanto some six years ago when we voluntary restricted sales to capacitor and transformer applications where no alternative products were available. However, whilst approving the use of PCBs in certain applications, the directive does not protect a PCB manufacturer from claims

arising from unauthorised and/or careless use of PCBs.

The directive clearly states that member countries will have to publish local laws to support the directive. It is not yet known what form these will take. Furthermore, it has been shown that PCBs persist and accumulate in the environment and Monsanto's policy is to market products that do not present a hazard to the environment after disposal.

Q: What is the position regarding available alternative products ?

A: As you may know, Monsanto has been working on an alternative product. The one which until a few months ago was thought to be a viable alternative - called MCS 1238 - has proven uncompetitive on a price performance basis. However, we believe the development of alternative products by other manufacturers has now reached the stage where Monsanto can implement its decision announced in January: to voluntarily cease all PCB production, as soon as possible, consistent with the ability of transformer and capacitor manufacturers to convert to viable alternate dielectric fluids, should they so desire.

In the interim it is our understanding that PCBs are available from other European producers.

Q: How many of your customers will be affected by this decision ?

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A: We have less than 10 major UK customers for our Aroclor and Pyroclor products. With regard to the continent, Monsanto will extend any decisions made regarding the

UK to cover this area - about 10 major customers are involved.

Prepared by:

Peter W. Whippy