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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

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| TRANSWESTERN PIPELINE COMPANY, | ) | |
| | ) | |
| PLAINTIFF, | ) | |
| | ) | |
| VS. | ) | NO. B C 026959 |
| | ) | |
| MONSANTO COMPANY AND | ) | |
| DOES 1-200, INCLUSIVE, | ) | |
| | ) | |
| DEFENDANT. | ) | |

DEPOSITION OF DONALD STEGEN
JANUARY 23, 1992

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G O R E  R E P O R T I N G  C O M P A N Y
100 NORTH BROADWAY
ST. LOUIS, MISSOURI 63102
241-6750

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Deposition of Donald Stegen, taken on behalf of the Plaintiff, at the law offices of Bryan, Cave, McPheeters and McRoberts, 500 North Broadway, in the City of St. Louis, State of Missouri, on the 23rd day of January, 1992 before Sandra L. Ragsdale, Registered Professional Reporter and Notary Public.

APPEARANCES OF COUNSEL:

FOR THE PLAINTIFF

Ms. Dana K. Welch
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FOR THE DEFENDANT

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IT IS HEREBY STIPULATED AND AGREED by and between counsel for the parties that this deposition may be taken in shorthand by Sandra L. Ragsdale, a Registered Professional Reporter and Notary Public within and for the State of Missouri, and afterwards transcribed into typewriting.

DONALD STEGEN,

of lawful age, being duly sworn, testified as follows:

EXAMINATION

QUESTIONS BY MS. WELCH:

Q. Good morning, Mr. Stegen. Could you please state your name for the record?

A. Yes, my name is Donald Stegen.

Q. Could you please state your address for the record?

A. 14308 Conway Meadows, Chesterfield, Missouri.

Q. And could you please state both your -- first your home phone number for the record?

A. 469-3894.

Q. And now your business number?

A. I'm retired.

Q. Okay. Mr. Stegen, have you ever been deposed before?

A. Never.

Q. Let me tell you a little bit about a deposition. First of all, as you know you were just sworn in which means that you're under oath. And even though this is a fairly informal and I hope painless setting you should act just as if you were on a witness stand at a trial, in other words, you're obligated to tell the truth. I will to the extent that I can and I'm able make my questions as clear as possible. I don't mean to confuse you or to obfuscate. And if there's anything that you don't understand please tell me and I'll try and rephrase it so that it is understandable. All responses have to be audible and that's to help our court reporter here. So instead of saying uh-huh or nodding your head you should say yes or no and that's to help her. And we should try all to speak, instead of on top of each other, one at a time. That will be helpful to her. After the deposition is done a transcript will be prepared and you will be able to review that transcript to make sure that it's accurate and you'll be able to note any changes that will then be incorporated. But I should tell you that we may ask you about any of those changes or discrepancies at the time of trial if you do testify.

Now I also note for the record that Mr. Stegen has not had a chance to review or sign the confidentiality stipulation which has been entered in this case but he will do so hopefully or have a chance to review it during a break; is that correct, Mr. Stegen?

A. That's correct.

Q. Okay. Mr. Stegen, I'd like to have the court reporter mark this as Exhibit 1 and have you take a look at this document which is an Amended Notice of Deposition of Don Stegen. Have you seen this document before?

A. I have not.

Q. If you could turn to page 8 of the document where it says document request and have you seen or heard from your counsel about this document request?

A. I've heard there was a document request. I don't know if it was this one or not.

Q. But you have not had a chance to review it?

A. I have not.

Q. Could I ask you if you retained any records or documents pertaining to your employment by Monsanto?

A. I have no records or documents other than personal letters to me at the time of my retirement and other things congratulating me for jobs well done, things of that nature.

Q. If I could ask you also during a break to take a look at this request just to make sure that you do or do not have any documents that are responsive to this because we did issue this and we did ask you to bring any of these documents that you may have to this deposition. And then perhaps after a break we can ascertain whether you do or do not indeed have any documents that are responsive?

A. Certainly.

Q. You don't need to take time at this point. When did you first hear about this deposition, Mr. Stegen?

A. I would think it was early December.

Q. Did you meet with anyone other than your attorney in preparation for this deposition?

A. No.

Q. And is your attorney present here today?

A. Yes.

Q. And could you identify the person?

A. Chris L'Orange.

Q. My name is Dana Welch and I am from

Shearman and Sterling. I represent Transwestern Pipeline Company in this litigation. Have you ever heard of Transwestern Pipeline Company before this litigation?

A. No.

Q. If we could start with some educational background. Could you please tell me from the time if there's any college, college you attended, any kind of work that you've done on degrees?

A. I attended Luther College, graduated with a degree in chemistry, a minor in mathematics.

Q. Did you do any graduate work?

A. No.

Q. Do you have any technical training after college?

A. No formal technical training after college.

Q. And what year did you graduate?

A. 1958.

Q. And could you to the extent that you remember run through your work history after 1958, what companies you worked for up to the time you worked for Monsanto?

A. I worked for a company called Kirby of Rhode Island for approximately six months before

entering naval officer candidate training school at Newport, Rhode Island. I spent three years and eight months as a commissioned officer in the Navy. I then joined Monsanto.

Q. And what year was that?

A. September 4, 1962.

Q. And in what capacity did you join Monsanto?

A. I joined as a sales trainee.

Q. And what years were you a sales trainee?

A. 1962, last part of '62 and 1963.

Q. And who did you report to during this period?

A. Originally I reported to a man named Lou Raether.

Q. Could you spell that?

A. R-a-e-t-h-e-r. And then I reported to Dr. Floyd Erickson.

Q. And were you responsible for any accounts during this period?

A. No, I was working in a laboratory.

Q. And in this laboratory were you working on any particular products?

A. Yes, I was working on polyvinyl acetate copolymers and fortified 'rosinsize' (phonetic).

Q. Did either of those products contain PCB's?

A. No.

Q. What happened in 1963, where did you go?

A. I moved over to the paper chemicals product group as a technical serviceman.

Q. And until when did you work in this capacity?

A. 'til March of '64.

Q. And what products did you work with at that point?

A. Styrene maleic anhydride. And urea formaldehyde wet strength resins. And fortified rosinsize.

Q. Did any of those products contain PCB's?

A. No.

Q. What happened in 1964?

A. I was assigned to sales representative to southern accounts, Texas, Arkansas, Louisiana, Mississippi, Tennessee, Oklahoma.

Q. Were there any particular products that you were assigned to?

A. Yes, I was assigned paper chemicals, to paper mills.

Q. Did any of those paper products contain

PCB's?

A. None that I handled.

Q. During this period of time did you have any contact with Texas Eastern --

A. No.

Q. -- in that job capacity. And how long were you a sales representative to these southern accounts?

A. Six years.

Q. That takes us to 1970; is that correct?

A. Yes.

Q. And what happened in 1970?

A. I was appointed area manager.

Q. For?

A. For the specialty chemicals -- I believe I have the nomenclature right -- specialty chemicals business unit.

Q. And what was the specialty chemicals business unit?

A. It was a combination of the paper chemicals business that I had been associated with and the functional fluids business.

Q. And what did the job of area manager entail?

A. It involved direct account

responsibility for a number of accounts located in and around Houston, Texas and supervisory responsibility for two other sales representatives.

Q. And first with respect to the accounts, was Texas Eastern one of the accounts that you were directly responsible for?

A. Yes.

Q. Again you mentioned before that you had no contact with Transwestern so I assume that you were not responsible for that account?

A. I've never heard of it.

Q. Who did you have supervisory responsibility for?

A. John Frederiksen and Robert Christman.

Q. Who did you report to during this period? Starting in 1970?

A. H. R. Ford.

Q. Did you have a dotted line relationship with any other persons in management?

A. Dotted line relationships are difficult. Sometimes they're truly spelled out and sometimes they aren't. But in fact yes, there were dotted line relationships to people in St. Louis in the product groups that I was selling products for.

Q. Okay. As you may know this litigation

concerns PCB products, particularly products that were sold to Texas Eastern, particularly Turbinols. Who in that product group did you have a dotted line relationship to?

A. Jack Fallon.

Q. Would you spell that?

A. F-a-l-l-o-n.

Q. And what was his job?

A. He was the product manager for functional -- for -- yes, functional fluids.

Q. And what was H. R. Ford's job?

A. He was regional manager in Atlanta.

Q. For?

A. Functional products -- no, specialty products, which included paper chemicals.

Q. Did his job also include the functional fluids?

A. Yes.

Q. And is there anyone else that you had a dotted line relationship with in functional fluids?

A. I don't believe so.

Q. What were John Frederiksen's responsibilities?

A. John handled a number of accounts in Louisiana, Arkansas and Oklahoma, Tennessee and part

of Texas I believe.

Q. And how about Robert Christman?

A. He handled accounts in Alabama, Tennessee, Mississippi, a variety of accounts of the specialty products business unit.

Q. Do you know who John Frederiksen's predecessor was?

A. I believe it was Carl Clay.

Q. And what happened to Carl Clay if you know when John Frederiksen took over his responsibility?

A. Carl moved to -- I believe Carl moved to Atlanta and was assigned some other sales responsibilities in Atlanta, in and around Atlanta.

Q. Who was your predecessor?

A. Well, I didn't have one in the area supervisor role, that was a new position. The sales job that I originally moved into when I moved to West Monroe, Louisiana, the accounts had been handled by W. G. Morlock.

Q. Did Mr. Morlock have contact with Texas Eastern as far as you know?

A. He may have. Yes, I think he might have but I did not have anything -- he was not my successor at Texas Eastern if that makes any sense.

Q. He was not your predecessor?

A. That's right.

Q. Who was your predecessor at Texas Eastern?

A. I believe in Houston it was Roger Irwin.

Q. Do you know if Mr. Irwin is still alive?

A. I have no idea.

Q. Now could you describe with respect to Texas Eastern what the division of responsibility was between you and Mr. Frederiksen?

A. Yes, I handled the Houston location which was primarily the purchasing location. Mr. Frederiksen handled the Shreveport location as I recall and that was engineering and operations.

Q. And I might have missed this but what was at the Houston location?

A. Purchasing.

Q. So, for example, did you ever visit a site and see a gas compressor?

A. No.

Q. As far as you know that was Mr. Frederiksen's responsibility?

A. I don't know that Mr. Frederiksen ever visited a site and saw a gas compressor either.

Q. Do you have any knowledge of how a gas

compressor works?

A. I have a vague understanding of how it works but I probably wouldn't recognize one if I looked at it.

Q. Were most of your contacts with Texas Eastern people primarily purchasing people or operations people?

A. Purchasing were my primary contacts.

Q. And who in particular or could you name the people who you had contact with at Texas Eastern?

A. I can now after having my memory refreshed yesterday. Ted Harrison was the primary contact.

Q. Any other people you remember?

A. I don't remember the names.

Q. Did you have contact with Walter Woods?

A. The name's familiar to me, yes.

MR. L'ORANGE: She asked you if you had contact with him, not if the name's familiar to you. If you don't have a direct recollection tell her that.

A. Okay. I don't have a direct recollection of contact with Walter Woods.

Q. Okay. Thank you. How about Mr. Fletcher?

A. Again I'm quite certain he was in a meeting where I was but I can't tell you when or I can't recall the individual.

Q. How about Mr. Farmer?

A. I believe those people were all in the Shreveport location and I visited there rarely.

Q. How about a Mr. Sloan?

A. Don't remember him.

Q. And you testified that you began in this position in 1970. Did you remain in this position until your retirement?

A. No.

Q. When did you change positions?

A. 1972.

Q. What happened in 1972?

A. I was promoted to market manager for paper chemicals in St. Louis.

Q. Did that take you out of responsibility for Texas Eastern?

A. Yes, it did.

Q. Did any of those products contain PCB's?

A. Which products?

Q. The paper chemical products that you dealt with?

A. No.

Q. So really your contact with PCB products was from 1970 to 1972?

A. My responsibility for PCB contacts was from 1970 to 1972, that's correct.

Q. Did you have any other contact or contact with PCB products other than that time period?

A. Only in the sense that I was in the organic division of Monsanto at the time. PCB's were a part of the organic division. I was peripherally aware of PCB's from the time I went through sales training.

Q. And did you work in that capacity as market manager for paper chemicals until your retirement?

A. No, I did not.

Q. Why don't you just run through the rest of your job history at Monsanto from 1972 to the present?

A. Okay. I was moved to manager of markets and products for paper chemicals in 1975. I was then moved to the -- titles get very confusing -- but a market manager position for paper chemicals and 'litrons' (phonetic) in 1976. I was made market manager -- manager of markets and products for paper

chemicals and 'litrons' in 1977. I was made sales director for 'Saflex' in 1977. I was named marketing director for 'Saflex' in 1980 or '81, I'm not sure of the date, and I was named business director for 'Saflex' in '83, and that's the position I retired from.

Q. When did you retire from Monsanto?

A. January 1, 1992.

Q. Very recently. Congratulations.

A. Thank you.

Q. How is retirement?

A. Great.

Q. I bet it is. Is Monsanto compensating you for the time that you're spending on this deposition?

A. I am not certain if I will be compensated or not quite honestly.

Q. Have there been discussions with Monsanto about that?

A. I raised the issue.

Q. And what was the response?

A. They said they thought that was an appropriate question to ask and they would get back to me.

Q. So that has not been resolved at this

point?

A. Has not been resolved.

(A brief recess was taken.)

Q. Back on the record. I would like to introduce as Exhibit 2 a copy of a signed confidentiality stipulation and order. Mr. Stegen, you testified that while you were in the organic division prior to 1970 that you were peripherally aware of PCB's. Can you tell me what you mean by peripherally aware?

A. I was aware we had heat transfer fluids and hydraulic fluids that were fire resistant. I believe I was also aware that those were chemically polychlorinated biphenyls.

Q. Did you have any contact during this time period -- and I'm speaking prior to 1970 -- with anyone from the medical department at Monsanto?

A. Of course.

Q. Did you have contact with Dr. Kelly?

A. Yes.

Q. In what context?

A. Annual physicals.

Q. Any other context?

A. Yes.

Q. Could you explain the context to me?

A. We sold chemicals to the paper industry that were used in the production of food packaging, food wrapping, paper cups, milk cartons, et cetera. And the issue of FDA clearance frequently arose and at times I would end up talking to Dr. Kelly regarding those questions that customers would raise regarding the safety of our product.

Q. Did you ever have any contact with Mr. Wheeler?

A. Wheeler?

Q. Yes.

A. I don't remember.

Q. Anybody else in the medical department you had contact with?

A. I'm certain I did. Nurses, other people. Kelly is a name I remember.

Q. Were you aware during this period -- and this was prior to 1970 -- of any controversy concerning PCB's?

A. I don't know when I became aware of controversy concerning PCB's but it was about that time.

Q. You mean prior to the 1970's?

A. No, I mean about 1970 when I became aware that there were issues relating to -- we were

very proud of our fire-resistant heat transfer fluids and hydraulic fluids and really believed that they were contributing an enormous amount to the welfare of our country and our customers. They were saving lives and protecting property and we thought doing an awful lot of good. So we were quite proud of having these marvelous products.

Q. Okay. Do you recall about what month you changed responsibilities in 1970?

A. My guess -- and it's simply a guess -- early in the year, February, March. I'm not certain.

Q. To the extent that you recall what do you recall about the controversy concerning PCB's? Around this time period, 1970?

A. I recall reading things that indicated PCB's were being detected in the environment.

Q. Do you recall what kinds of things you had read?

A. No, but they probably were things that appeared in publications like Chemical Week, Business Week, Wall Street Journal, daily newspapers, Time magazine, not things that were in obscure scientific journals.

Q. So these were not internal Monsanto publications?

A. About that time I'm sure as I assumed responsibilities in that area I began receiving internal Monsanto communications.

Q. And do you recall anything more about what these articles said other than they persist in the environment?

A. I recall one article that I received a copy of, I believe it was authored by a man named Jensen or Jansen who had identified materials that had believed previously to have been metabolic breakdown products of DDT as Monsanto's polychlorinated biphenyls.

Q. Do you know who you received that article from?

A. I really don't.

Q. Okay. What was your reaction to these articles?

A. I'm not sure I can characterize my reaction to the articles. Concern.

Q. Why were you concerned?

A. At this same time we were also being told by St. Louis management to be sure PCB's were not used in food or food-related applications.

Q. And why did all of this cause you concern?

A. There was a great deal of publicity at that time or prior to that time regarding environmental issues. Silent Spring was a book that had appeared a few years earlier which made an impact on most of us who were young and idealistic at that point in our lives.

Q. Okay. Did you have concern about the products that you were selling in 1970 in this respect?

A. Concern in the sense that I was -- I had been told to ensure that they were not used in food or food related applications. I didn't have an understanding -- still don't -- as to what the real environmental impact of the chemical may be.

Q. Did anybody ever explain to you why you should be careful not to sell it in a food capacity?

A. Yes.

Q. And what did they say to you?

A. I recall being told that there had been a leak in a food oil plant in Japan and I believe the material was rice oil had been contaminated with PCB's and a fairly large number of people had been exposed to high levels of PCB's.

Q. Do you recall who told you about this incident?

A. I believe it was Jack Fallon.

Q. Do you know if Jack Fallon is still alive?

A. He's dead.

Q. Did you wonder in your mind if there was a difference between the applications for which you were selling PCB products and the food applications?

A. I think I understood the differences.

Q. And what were the differences?

A. Well, my primary sales base was gas processing, off-shore gas processing, not at all related to food applications.

Q. Have you ever heard the terms closed and open systems?

A. Absolutely.

Q. Could you explain to me what your understanding of a closed system versus an open system is?

A. Yes, at that time we were keenly aware of a difference that we described as closed or open. Closed systems were systems where materials were not moving into the environment with regularity or quickly. A closed system would be a heat transfer system where the material is continuously recycled and only very modest if any material would escape to

the environment. An open system would be a system such as a plasticizer application, for instance, where material would be used in a plastic, it would go out into the environment and thus into the world, you didn't know where it went, you didn't have any control over where the PCB's were going.

Q. Is there any such thing as a completely closed system as far as you know?

A. As far as I know there's not.

Q. So there are gradations of closed and open systems?

A. Right.

Q. Where in your understanding did the kinds of gas compressor that was used by Texas Eastern fit on the closed/open spectrum?

A. My belief is that would be regarded as a very closed system.

Q. And why is that?

A. Not much material was used, it was not consumed in the operation. If it did escape through seals or some -- it would be caught in a catch basin, it wouldn't be dripping into the Gulf of Mexico.

Q. As far as you knew was there any possibility of the PCB lubricant going from the gas compressor into the pipeline to which the gas



HARTOLDMON0042434

compressor was attached?

MR. L'ORANGE: Objection, vagueness. At what point in time? When he was selling the products? At some point subsequent to that?

Q. Speaking of his knowledge during the time of 1970, 1972?

A. I didn't know.

Q. Okay. You were responsible for selling to the purchasing department; is that correct?

A. That's correct.

Q. Help me understand this, my understanding -- and please correct me if I'm wrong -- is that Monsanto would sell an amount of lubricant for an initial fill of a gas compressor for somebody like Texas Eastern and then subsequently in subsequent years there would also be more sale of the lubricant; is that correct?

A. I believe that's correct, yes.

Q. What could explain the need for more lubricant if the system was an entirely closed system?

A. I think I said I don't believe there's such a thing as an entirely closed system.

Q. To your understanding where would the lubricant go, how would it get used up?

MR. L'ORANGE: Objection, asked and answered. He said it went in a catch basin.

Q. Is there any other -- through normal usage is there any other way -- any other place that it would have gone?

A. I don't know. I just don't know enough about -- it could have burned, it could have evaporated, I don't know.

Q. Okay. During this period in 1970 when you were becoming aware of the controversy concerning PCB's did you become aware or ever hear that there was concern that PCB's might cause liver damage?

A. I don't believe so.

Q. Did you become aware or ever hear that PCB's might cause chloracne?

A. Yes.

Q. Who did you hear that from?

A. I don't remember, that was rather common information.

Q. Why were you concerned when you learned through the Jensen article or from other sources that PCB's might persist in the environment?

A. Generalized concern about anything that persists. There was evidence, widely reported at the time, that the eagles were dying because eggs were no

longer hatching and nobody really knew what the causes of these environmental anomalies might be.

Q. Did you ever hear the word again in this time frame, 1970 to 1972, toxic, attached to PCB products?

A. I don't recall in that time period hearing PCB's labeled as toxic. We were not particularly attuned to toxicity as a concern with PCB's.

Q. So your main concern was as you testified that the PCB's persisted in the environment according to this Jensen article?

A. That was -- yes, the initial concern was related to that.

Q. What was your subsequent concern?

A. When Holly Farms chicken suit was filed.

Q. And what was that?

A. It was a suit related to a flock of chickens that became contaminated with PCB's and had -- I believe they stopped laying eggs that hatched.

Q. Do you recall when that suit was filed?

A. No, I don't. 1971 would be my guess.

Q. So it was during the time period that you were responsible for the Texas Eastern account?

A. Yes.

Q. How did you become aware of this lawsuit?

A. I was informed by telephone and telegram I'm sure from St. Louis.

Q. Do you know if Monsanto was a defendant in this lawsuit?

A. I believe they were.

Q. And what was your concern at that point?

A. That was presented to us as evidence that there was a degree or level of toxicity associated with PCB's.

Q. Who presented that evidence to you?

A. Again Jack Fallon.

Q. Can you recall any other events that triggered off concerns for you?

MR. L'ORANGE: At this point in time?

Q. Yes, 1970, 1971?

A. Yes.

Q. Can you tell me what those are?

A. We were receiving information on a fairly regular basis from St. Louis on the status of PCB's and there was an analysis of marine life in the Gulf of Mexico that indicated various forms of marine life were beginning to show measurable traces of

PCB's.

Q. To the extent that you can remember, do you remember if this is 1970, 1971 or 1972, to the extent you can remember?

A. It was prior to '72.

Q. And who did you receive that information from?

A. Again it came from St. Louis. I assume -- Jack Fallon or his organization.

Q. During this period of time did you live in Houston?

A. Yes, I did.

Q. So there was a Monsanto office in Houston?

A. Yes, there was.

Q. Any other event that you can recall?

A. Yes.

Q. Okay, could you tell me about that event?

A. We were directed to remove PCB's from off-shore gas processing platforms again by our St. Louis management.

Q. Do you recall when that happened?

A. Can't remember the date.

Q. And did they explain to you why?

A. Yes.

Q. What did they say?

A. They were persistent in the environment, they were starting to show up in marine life in the Gulf of Mexico and we had to get them out of applications where they could possibly get into the water ways.

Q. Do you recall what product was being sold to those off-shore gas compressing platforms?

A. Yes.

Q. What was the product?

A. Therminol FR-1.

Q. Do you recall the Aroclors that composed that?

A. 1254.

Q. And was that -- to the extent that you can characterize it -- in an open or closed usage?

A. That had been regarded as a relatively closed system.

Q. And what kind -- was it a compressor or a --

A. No.

Q. What was it?

A. It was a heat transfer application.

Q. Do you recall the time period of when

you were asked to do that?

(A brief recess was taken.)

Q. Back on the record. I believe that we were talking about the off-shore gas processing platforms and you testified that it was heat transfer systems, the product used was Therminol and it included Aroclor 1254; is that correct?

A. Yes.

Q. And I had asked you for the time period to the extent that you could recall that you were told to remove those products?

A. And I can't pin it down other than to say it was '70 or '71.

Q. I know you're not the person who made the decision but I'm just curious if you know why the decision was made to remove the Aroclors from a fairly closed system if you know?

A. I believe I know.

Q. Can you explain it?

A. They were out in the ocean and any leaks that occurred could easily be directed into water and the fear of having PCB's enter the water systems was fairly high.

Q. Okay. Any other events that you can recall about learning about or increasing your

concern about PCB's?

A. Not specific.

Q. In your contact with people at Texas Eastern did you ever tell them about the Jensen report? And I'm restricting it to when you learned about it which is 1970 or you testified around 1970.

MR. L'ORANGE: I'm sorry. We're restricting the question solely to 1970 or the period of time '70 to '72 when he was in Houston?

Q. First talking about 1970 when you first learned about it?

A. I don't recall.

Q. How about the Polly Farms chicken suit versus Monsanto case, when you learned about that did you tell people at Texas Eastern about that?

A. I believe we did but I can't cite time and place.

Q. Can you recall who you told it to?

A. I would have told it to Ted Harrison.

Q. Can you recall what his reaction to being told it was? Do you recall if it was in an oral conversation or did you write him a letter?

A. It would have been an oral.

Q. How about receiving information about the status of PCB's in marine life in the Gulf of

Mexico, did you tell anybody at Texas Eastern about that?

A. Certainly we told people at Texas Eastern about that but I can't tell you the time.

Q. Do you recall if you told them that prior to the end of -- or prior to the beginning of 1972?

A. I don't know.

Q. No recollection?

A. No, I have no recollection.

Q. You have to be audible for the court reporter. Back to the Polly Farms chicken soup, do you have any recollection about what you said about that lawsuit?

A. I believe it was the Holly Farms.

Q. Holly Farms, I'm sorry?

A. Yes. I remember distinctly using that as part of a sales presentation that I put together for use with the off-shore gas processing industry.

Q. What did you say about it in that presentation?

A. It varied depending on -- my mission was to get the PCB's out of the off-shore gas processing heat transfer systems. And I had to keep escalating the stories with various customers -- not stories but

how much I told to get their attention on the problem. If I could tell them that PCB's had been determined to be persistent in the environment and this was an on-going concern of Monsanto and we recommended strongly that they drain and refill their system, if that was sufficient to get them to drain their system that was good. If that wasn't sufficient, if they said we're not interested, I obviously would tell them more. Talk about the Holly Farm -- that was sort of a clincher argument. These are serious issues, there are legal liabilities, potential liabilities out there. So we want you to be aware of these so you can make an informed decision.

Q. Was Texas Eastern present at any of these presentations?

A. No, Texas Eastern would not have been present at any of those off-shore gas processing presentations. They were not part of that industry.

Q. Okay. And do you recall whether that withdrawal happened before the withdrawal of products to Texas Eastern?

A. Oh, yes, that would have been prior to withdrawing Turbinol 153.

Q. Do you recall if it was some time in

1971?

A. I think I've already said I can't --

Q. Okay, that's fair. Did you ever tell anybody at Texas Eastern at the time you learned about it about the rice oil incident in Japan?

A. I don't know.

Q. Did you ever tell anybody at Texas Eastern about the possibility of chloracne from use of PCB's?

MR. L'ORANGE: You said at any time or 1970 to '72?

Q. When he learned about it?

A. Again certainly Texas Eastern was made aware of everything that I knew about PCB's but I can't tell you when those events unfolded. Certainly at the time we were discontinuing the supply of Turbinol 153 to Texas Eastern, at that time or prior to that time, Texas Eastern was informed.

Q. Okay. Do you have recollection of any time prior to the discontinuation -- which I believe the documents will show happened in January of 1972 -- that you informed them, any specific recollection?

A. No.

Q. Are you aware of the composition of

Turbinol 153? In terms of Aroclors?

A. I never analyzed it. I believe it was based on polychlorinated biphenyls.

Q. Were you ever told what the composition was by anybody at Monsanto?

A. If I was I don't remember it.

Q. I have a document here. This is Exhibit 3. If you could turn to Bates stamp No. 001304. I'm just using this document which is apparently an organic chemicals division research report about MCS-153. I just want to look at the composition of the MCS-153. First of all, do you know if Turbinol 153 is any different from MCS-153?

A. Have no idea.

Q. Then let's look at the composition of the MCS-153. Does that help refresh your recollection about the Aroclors that were used in 153?

A. It clearly states that the Aroclors used were 1242 and 1232.

Q. But it doesn't help refresh your recollection about the composition?

A. No.

Q. And in your job as salesman would that have been critical to you in terms of the chemical

composition?

A. No.

MR. L'ORANGE: Let me object as vague and ambiguous with the use of the term critical. Critical as to what.

Q. You can answer unless he instructs you not to answer.

MR. L'ORANGE: Just give me some time to put an objection on the record.

Q. I think there's a question pending.

A. What's that?

Q. The question is would it have been critical or important to you to know the composition of the product that you were selling to Texas Eastern?

MR. L'ORANGE: Same objection. You can answer.

A. I don't think it would have, no.

Q. I have Exhibit 4. Mr. Stegen, I'd like you to take a few minutes to read this document which is entitled Reported Aroclor Customer Incidents. Your name appears nowhere on this document. Have you ever seen this document before?

A. No, not to my recollection.

Q. Okay. Did you ever hear that any of

these incidents ever occurred in the course of your history at Monsanto?

A. I don't recall it.

Q. At what time in your job from 1970 to 1972 did you first hear that sales of Turbinol 153 would be terminated to Texas Eastern?

A. I don't know.

Q. Let me show you a document. This is Exhibit 5. I'd like you to take a few minutes to read this. Did you ever hear in approximately May of 1970 that the corporate management committee had come up with a plan for the phasing out of PCB products?

A. I don't recall.

Q. Do you recognize any aspects of this document even if you haven't seen the document before?

MR. L'ORANGE: Object to the question as being vague. In terms of format, the information contained therein? There's a handwritten note at the top. It's fairly illegible. If you could specify for him what aspects you're referencing.

Q. That's fair. I'm speaking to the six points, the first point being terminate sales of all non-biodegradable. Second point is discontinue sale of Aroclor 1242. Third, close the loop on heat

transfer, et cetera. Those six points, do those points sound familiar to you?

A. Yes.

Q. Do you recall in what context you heard about these six points?

A. I really don't. But terminating sales of non-biodegradeal chlorinated biphenyls in non-controllable end uses sounds like something that was being talked about, we're going to get PCB's out of some applications. Closing the loop on heat transfer applications sounds familiar. Discontinuing the use of Aroclor 1242 to NCR, I was aware that was a program Monsanto was actively pursuing.

Q. Focusing in on the discontinuing the sale of the Aroclor 1242 to NCR, were any of those products that you were concerned with in the 1970 time period?

A. I'm not sure I understand what you've just asked me.

Q. Was NCR one of your customers in 1970?

A. No.

Q. How were you aware that there was going to be a discontinuation of the sale of the Aroclor 1242 to NCR?

A. I was part of the business unit that had

sales of that product to NCR. It was a significant component of that business unit and clearly had some adverse financial impact on the unit.

Q. And which business unit was this?

A. The specialty products business unit.

Q. I don't want you to speculate or guess what was in the mind of the person who wrote this document but if you can look at each of these six points and tell me whether as far as you understand the sales to Texas Eastern fit into any of these points, I would appreciate it.

MR. L'ORANGE: I'm going to object to the question to the extent it calls for speculation. If he has an independent recollection whether Texas Eastern may have fit in in the overall plan I'll let him answer. But if it calls for him to speculate as to what the author of this document meant I won't.

Q. That's exactly what I want. I don't want you to guess what the author of this document meant. I'm wondering if you recall whether Texas Eastern fit into any one of these six points. In other words, sales of Turbinol 153 fit into any one of these six points, any independent recollection.

MR. L'ORANGE: You haven't really laid a foundation these six points were communicated to him

in the context they're set out in this document. I think he indicated to you with respect to two or three of the points that it sounded generally like the information that was being suggested to him. You might want to rephrase your question. Unless he has an independent recollection that Texas Eastern fits in one of these six points I'm reluctant to answer the question since he didn't author the document.

Q. Answer that question please.

MR. L'ORANGE: Do you have an independent recollection of whether Texas Eastern fit into the removal program promulgated by St. Louis with respect to PCB's in the marketplace?

Q. If they did at all.

A. I have no specific recollection of that.

Q. I'll ask this to be marked as Exhibit 6. Please take a minute to read this. This is apparently a memo written by Jack Garrett to W. B. Papageorge dated February 19th, 1970. Have you ever seen this document before?

A. No.

Q. Could you tell me if you know who Jack Garrett is?

A. Yes, I do.

Q. Please tell me?

A. He was in the medical department at Monsanto.

Q. Did you have contact with Mr. Garrett?

A. I met him.

Q. Any other contact besides meeting him?

A. I don't recall.

Q. How about Mr. Bergen?

A. I knew Howard Bergen, yes. He was business director for specialty products business group.

Q. So in some senses he was your supervisor or boss?

A. Yes, he was in the chain of command above me, well above me.

Q. To the extent that you remember could you describe that chain of command?

A. Yes. Mr. Ford who I reported to reported to Norm Johnson who reported to Tom Gossage who reported to Howard Bergen.

Q. And who did Howard Bergen report to if you know?

A. A man named Corey, Wink Corey.

Q. You testified earlier that you obtained responsibility for the Texas Eastern account some time in 1970. Do you recall if you had

responsibility in February 1970?

A. I do not but if Carl Clay was on this memo I did not.

Q. Did you ever have responsibility concurrently with Mr. Clay?

A. No.

Q. Did you ever hear about the incident that is referred to in the last full paragraph on the first page?

A. I have no recollection of it.

Q. When you first obtained the account at Texas Eastern do you know whether -- did you ever tell anybody at Texas Eastern that Turbinol 153 contained PCB's?

A. I don't remember.

Q. Do you have any way of knowing whether anybody at Texas Eastern knew that the product contained PCB's?

MR. L'ORANGE: At what point in time?

Q. When he arrived at the account, that's the time I'm talking about.

A. I have no recollection that either they did or they didn't. I just don't know. It was not customary to tell customers chemical composition in all cases unless they specifically asked.

Q. Why was it not customary?

A. Just we didn't tell them how we made 'Mersox'. We didn't tell them how we made ---------- (unintelligible. We don't tell customers things like that.

Q. Is it because it's proprietary information?

A. It really isn't but it's just trade secret -- it's not even trade secrets. But you don't burden customers with that kind of turgid technical detail.

Q. Okay. I'd like to have this marked as Exhibit 7. Please take a minute to read this. Have you ever seen this document before?

A. Yes, I have.

Q. In what context did you see the document?

A. Can't remember the context but that's definitely a document I read and was aware of.

Q. Why would you or why did you read and why were you aware of this document?

A. I'm speculating but as part of my --

MR. L'ORANGE: Don't speculate. If you have an independent recollection please tell her.

Q. Was it because your function was as a

salesman and this was a letter to customers?

A. Not at that time. Mr. Olson had departed before I arrived.

Q. Did you have any contact with Mr. Olson?

A. Yes, I knew Mr. Olson but not -- I knew him socially but not as --

Q. Who took over his position; do you know?

A. Director of sales, he was succeeded by Norm Johnson.

Q. Okay. I'd like to turn your attention to the paragraph that's numbered 1 on the first page. Please read that and the next paragraph. Am I correct in saying that Turbinol 153 contains PCB's with chlorine content of less than 54 percent?

A. I don't know.

Q. Is it fair to say that at the time of this document that Monsanto at St. Louis was still selling Turbinol 153?

MR. L'ORANGE: As of February 18th, 1970?

Q. Yes.

A. Yes.

Q. Is it fair to say that Monsanto was saying at this point that the PCB's in Turbinol 153 had not been found in the environment and appeared to

present no problem to the environment?

A. That's the way I would read that.

Q. This is Exhibit 8. This document is dated January 3rd, 1971. It's from N. T. Johnson to a distribution list which includes you, Mr. Stegen. If you could please take a minute to review the document.

(A brief recess was taken.)

Q. Back on the record. Have you ever seen this document before?

A. Yes.

Q. Do you recall this meeting?

A. Yes.

Q. Is the date of the memo accurate, January 3rd, 1971? Because I know sometimes in January they say 1971 when they mean 1972. Do you have any recollection, independent recollection, of whether the meeting was held in '71 or '72?

A. No.

Q. Who conducted the meeting if you recall?

A. I don't recall who conducted the meeting.

Q. Do you recall who any of the speakers at the meeting were?

A. Yes.

Q. Could you tell me?

A. I'm sure Norm Johnson spoke. Dr. Munch spoke.

Q. Could you tell me who Dr. Munch is?

A. He was a Monsanto research scientist or chemist.

Q. Do you know what his area of responsibility was in research?

A. He was working on functional fluids. Beyond that I can't be specific. Larry Bradford spoke.

Q. Did you have any kind of reporting relationship with Mr. Bradford?

A. Ultimately I would have had a dotted line to him as I had described earlier to Jack Fallon.

Q. Did he take over Jack Fallon's job?

A. I'm not certain. Those responsibilities became rather diffuse. Fallon, Paton, Larry Bradford, and I'm not sure who was what.

Q. Directing your attention to the first line starting with: We have scheduled a meeting. That refers to the old Pydraul formulations. To your knowledge did the old Pydraul formulations include Turbinol 153?

A. I would not have characterized Turbinol 153 as a Pydraul. Pydraul was the Monsanto name for hydraulic fluids.

Q. Turning to the second page do you see where Texas Eastern Transmission is listed as one of the customers?

A. Yes, I do.

Q. Did Texas Eastern Transmission also purchase Pydrauls?

A. Not to my knowledge.

Q. Do you recall if Turbinol 153 was discussed at this meeting?

A. I do not.

Q. Okay. Do you recall what was said -- let's start with generally -- about what it says here of why the decision -- I assume that's why the decision to discontinue the old Pydraul formulations -- do you recall what was said?

MR. L'ORANGE: Would you read that question back?

(Reporter read from the record as directed.)

MR. L'ORANGE: You're referencing the sentence in the first paragraph?

Q. Yes.

A. I can't recall what was said at that

meeting if that's the question.

Q. Do you recall if there was any discussion about the persistence of PCB in the environment?

A. I can't recall that discussion but that would have clearly been something that would have been discussed at that type of a meeting.

Q. Was there any -- do you recall any discussion of the possibility of liver damage being brought up as one of the reasons for discontinuing?

MR. L'ORANGE: Human or animal?

Q. Human or animal, either one.

A. No.

Q. Do you recall what was said about the substitution with the new NC ester?

A. Only in a very general way.

Q. And what was the general way?

A. That we were substituting materials called NC esters for the existing PCB materials.

Q. Do you recall whether you were told that those products were commercially available?

MR. L'ORANGE: Those meaning the NC esters?

Q. The NC esters?

A. I would just be guessing, I don't know.

Q. I don't want you to guess. What was told to you about what had to be done over the next six months first with respect to generally?

A. Replace the Pydrauls with new formulated hydraulic fluids.

Q. Was anything said with respect to Texas Eastern which is referred to?

A. I don't recall.

Q. On the second page?

A. I don't recall.

Q. Do you recall whether you were told that Turbinol 153 would be replaced at this meeting?

A. I do not recall.

Q. In the subsequent six months to this did you go to customers and seek the replacement of Pydrauls with NC esters?

A. Yes, I believe we did.

Q. Do you recall which customers? We're talking January to June of 1971, just those six months?

A. I do not recall.

Q. What was the industrial fluids product group?

A. I'm not certain. It was heat transfer and hydraulic fluids and Turbinol 153 I would guess.

Q. Is this different than the functional fluids product group?

A. I would believe the industrial fluids was a part of the functional fluids product group.

Q. Do you recall whether in January of 1971 that you told Texas Eastern that Turbinol 153 would be phased out?

A. No, I do not recall.

Q. Please mark this as Exhibit 9. This is a call report dated 4-16 '71 from S. G. Morlock and you are cc'd on it, Mr. Stegen. Do you recall seeing this document?

A. I do not.

Q. Do you recall the incident that it refers to?

A. I do not.

Q. Who is Mr. Morlock?

A. It's W. G. Morlock, not S. G. Morlock. He was my successor in the paper chemicals groups that I took over a seven state area, he was a salesman for Monsanto's plasticizer business at this time.

Q. Did you ever hear of Pope Testing Laboratories?

A. I have no recollection of it.

Q. They were not a customer of yours?

A. Not to my knowledge.

Q. Again you never heard about the incident in New Mexico?

A. I don't remember it.

Q. Please mark this as Exhibit 10. This is a call report dated 6-28 '71 authored by Mr. Frederiksen and you are consider cc'd on it and if you could please take a minute to read it. Have you ever seen this document before?

A. Yes.

Q. Did you talk to Mr. Frederiksen about this, the visit that he made with Texas Eastern?

A. I don't recall.

Q. Do you recall him telling you about why he wanted to check on the current feeling regarding Turbinol 153?

A. No.

Q. Were you concerned at this time in June of '71 about Texas Eastern's feeling regarding Turbinol 153?

A. I don't remember being concerned about it.

Q. Did you have any concerns at that point about the sales of Turbinol 153 given the fact that

you knew that other PCB products were being withdrawn from the market?

A. I don't recollect any specific concern with Turbinol 153.

Q. Do you recall whether by this time you had told Texas Eastern that Turbinol 153 would be withdrawn from the market?

A. I do not. I don't recall.

Q. Do you recall whether you told Texas Eastern about the general program that Monsanto had embarked on to gradually phase out PCB's?

A. I don't recall.

Q. Let's turn to the second page. Do you recall Mr. Frederiksen telling you about Mr. Woods's question about whether Turbinol 153 had been reformulated without Texas Eastern's knowledge?

A. Not independent of this document, no.

Q. When you saw this document back in 1971 did you ask -- do you recall asking Mr. Frederiksen any questions about that?

A. I don't recall.

Q. Do you recall -- again we're going back to this document, 1971 -- about Stauffer's comments about Monsanto's position on the PCB problem?

A. I do not remember anything about

Stauffer's -- Stauffer was a competitor and I don't remember their making comments one way or another.

Q. Do you remember any concerns at Monsanto about any comments made by Stauffer about the PCB's problems to Texas Eastern?

A. No.

Q. Do you remember anything about the last sentence in this paragraph which is:

We assured Woods that Texas Eastern would be included at the initial stages of any reformulation of 153?

A. I don't.

Q. How much contact did you have with Mr. Frederiksen?

A. I had quite regular contact with Mr. Frederiksen. He was a young salesman. I was his supervisor. I talked with him at least weekly.

Q. Did you discuss problems with customers' business?

A. Yes, we did.

Q. And did you discuss specifically problems in Texas Eastern's account?

MR. L'ORANGE: Objection. Assumes facts not in evidence, that is, that there were problems in the account.

A. I don't remember. I don't remember. If I may offer something to clarify. My area of expertise and skill base was primarily related to the paper chemicals business, the business I had been associated with for eight years, eight plus years at Monsanto. I was a newcomer to the functional fluids business and did not possess a wealth of knowledge that I could share with anyone.

Q. Okay. That's fair. Was Mr. Frederiksen also located in Houston?

A. No, he was located in Shreveport.

Q. Did you have contact with Dr. Hatton?

A. Yes.

Q. How much contact?

A. I would guess I had contact with Dr. Hatton on a monthly basis.

Q. And what did the contact consist of?

A. Dr. Hatton was a technical expert on Turbinol 153 and other fluids, other PCB-containing fluids.

Q. So why would you want to talk to him?

A. I had responsibility for a number of customers who consumed those products. If I had a technical question he was the first point of seeking an answer.

Q. Okay. Would you mark this as Exhibit 11. This is a call report dated 9-28 '71. It appears to be authored by you, Mr. Stegen. And it's concerning a customer by the name of Columbia Gulf Transmission. Please take a few minutes to review this document. Do you recall authoring this report?

A. Not specifically.

Q. Do you recall this customer?

A. Yes.

Q. Do you recall the order of 192 drums of Turbinol 153 in 1971?

A. I don't believe that was a single order, that was the year to date number.

Q. That's what I meant.

A. I recall that they were -- I don't know whether there was 192 but it says here it was so I assume it was.

Q. Is it fair to say as of September 1971 that Monsanto was still selling Turbinol 153?

A. That's correct.

Q. And that Columbia Gulf was one of the customers?

A. That's also correct.

Q. Do you recall as of this date which is September 1971 whether you had ever disclosed to

anybody at Columbia Gulf that Monsanto had embarked on a program to withdraw PCB products from the market?

A. I do not recall.

Q. Do you recall disclosing to them that PCB's might persist in the environment?

A. I do not recall.

Q. Do you recall any discussions regarding the controversy concerning PCB?

MR. L'ORANGE: With Columbia Gulf?

Q. With Columbia Gulf?

A. No.

MR. L'ORANGE: No, you don't recall --

A. I do not recall.

Q. Turning to the second page --

A. May I take a brief break here.

Q. Sure.

(brief recess taken)

Q. Back on the record. Turning to page 2 of the document, referring about half way down the page the statement that is written: Make new Turbinol 153 on Wednesday. What were you referring to by this statement; do you know?

A. Clearly producing new Turbinol.

Q. So as far as you know Turbinol was still

being produced as of this date?

A. I would believe so, yes.

Q. And that was available for you to order for a customer?

A. Yes.

Q. Turning to the last page, where it says write proposed contract for Columbia Gulf, did you ever write that contract?

A. I don't remember but I'm quite certain I would have.

Q. Was the contract for the purchase of Turbinol 153?

A. It certainly would have been.

Q. Do you have any idea when sales of Turbinol 153 to Columbia Gulf were terminated?

A. No, but it was not long after this incident. My recollection would be that Columbia Gulf stopped buying Turbinol from us not long after that.

Q. And was that related to concerns about toxicity or environmental damage?

A. No.

Q. Why did they stop purchasing Turbinol?

A. They stopped purchasing to the best of my recollection because they were experiencing

excessive fluid consumption.

Q. Do you know what that excessive fluid consumption was due to?

A. My recollection is it was due to a foaming problem.

Q. Is Columbia Gulf Transmission a pipeline company?

A. Yes.

Q. Do you know -- again I don't want you to speculate but just tell me if you know -- whether that foaming problem led to the Turbinol being released into the pipeline?

A. I do not know factually that it did.

Q. Do you know if there's anybody at Monsanto would who know whether that happened?

A. I don't know.

Q. Please mark this as Exhibit 12. This is a call report dated July 1st, 1971, customer Texas Eastern Transmission. It appears to be authored by you. Do you recall authoring this document?

A. I don't recall it.

Q. Do you recall the call that it refers to?

A. No.

Q. Could you tell me -- Strike that.

Previously you testified that you didn't work concurrently with Carl Clay on accounts. Could you tell me what accounted for visiting jointly with Carl Clay on this call?

A. Carl had handled the account prior to my assuming responsibility for it. Why specifically Carl was there making that call with me I cannot tell you. I really don't recall.

Q. Do you recall generally -- even though you don't recall this call -- whether in July of 1971 you had discussed with anybody at Texas Eastern the concerns about the hazards of PCB's?

A. From what I read in this call report it would appear that we had.

Q. Can you point to what you're referring to?

A. No, I guess I was mistaken. I just had indicated Roger was coming to Houston. I had read into that Roger was coming to talk about that. That's not stated there.

Q. So you have no independent recollection of discussing the concerns about PCB's?

A. No.

Q. Do you have any independent recollection of discussing with anybody at Texas Eastern at this

time that there would be a phase-out of Turbinol 153?

A. No.

Q. This is document or Exhibit 13. This is a document that appears to be authored by Mr. Bradford and directed to you dated October 12th, 1971. If you could take a minute to review it. Do you recall seeing this document previously?

A. I believe so, yes.

Q. Referring to the second sentence:

As you know, Turbinol 153 contains Aroclor and as such the economics of this product have been severely damaged in recent months.

Do you recall knowing that the economics of the product had been severely damaged?

A. Yes.

Q. What had happened to the economics of the product?

A. What happened to the economics, other than that the costs of polychlorinated biphenyl production and there was a declining sales base on PCB's, which tends to make costs go higher, those are the only things that I can attribute to the worsening economics of Aroclors.

Q. You mean a declining sales base of all PCB products, is that what you're referring to?

A. Yes.

Q. Had there been a declining sales base of Turbinol 153 as far as you know?

A. No.

Q. Had the sale of Turbinol 153 stayed constant during this period?

A. I don't believe they were constant but I don't know, I don't know the sales history. I mean those must be available.

Q. Okay. So what you just said -- correct me if I'm wrong -- the costs of the production of Turbinol 153 had increased as far as you know?

MR. L'ORANGE: Let me object as vague and ambiguous. I think he just answered that question with respect to Aroclors.

A. Corect.

Q. The costs of production of Aroclors had increased; is that correct?

A. It's my belief they had, yes.

Q. Referring to the second paragraph, do you recall taking Mr. Bradford's suggestion and telling Columbia Gulf about the long and good history with respect to this product with Texas Eastern?

A. I don't recall doing that.

Q. Do you recall telling Columbia Gulf

anything about Texas Eastern's use of Turbinol 153?

A. I'm certain I told Columbia that we had another customer who was quite satisfied with Turbinol 153. That would have been a normal -- whether I specifically named Texas Eastern, I doubt it, I doubt I would have named a specific account.

Q. To your knowledge were there any other customers for Turbinol 153 at this time?

A. Not to my knowledge.

Q. This is Exhibit 14. This is a call report dated October 26th, 1971. Customer name, El Paso Natural Gas. Apparently authored by you, Mr. Stegen. Do you recall authoring this document?

A. Not specifically.

Q. Do you recall this particular incident that is referred to?

A. Yes, I do.

Q. Why do you act surprised, why are you surprised?

A. Well, it stands out, the concern that the customer had expressed about HCl, and I think that was the first time I had ever connected chlorine-containing products with generating a potentially corrosive material like HCl.

Q. Why does that concern stand out in your

mind?

A. It was just why hadn't I thought of that before.

Q. And was there a concern merely with the or solely with the corrosive effect of HCl?

A. As I recall yes, their concern was that it contained chlorine and therefore would be corrosive. I also believe that at this time Monsanto -- the Monsanto position which we were adhering to and believed -- was that only the heavily chlorinated Aroclors were persistent in the environment and that the less chlorinated materials were not a problem. I don't believe we were concerned at this time about the environmental persistance of Turbinol 153.

Q. Did El Paso Natural Gas express that concern to you, that Turbinol 153 might be an environmental hazard?

MR. L'ORANGE: With respect to this call or at any time?

Q. Yes, with respect to this call.

A. I don't recall and I see no evidence of that here.

Q. So did they ever purchase Turbinol 153?

A. I don't believe so.

Q. This is Exhibit 15. This is a document dated December 6th, 1971. You are cc'd on it, Mr. Stegen. And if you can take a few minutes to review this document I would appreciate it. Mr. Stegen, do you recall seeing this document?

A. I don't have independent recollection of seeing this document, no.

Q. Do you recall anything about this visit to Ingersoll Rand?

A. Not specifically, no.

Q. Was Ingersoll Rand to your knowledge the OEM for the gas compressors for Columbia Gulf?

A. I believe they were.

Q. Did you ever have any discussions that you can recall with Dr. Hatton about this visit or about talks about Ingersoll Rand.

A. I don't recall specifically but I'm certain I would have.

Q. Do you recall if this was part of the effort to sell Turbinol 153 to Columbia Gulf?

MR. L'ORANGE: If what was part of the effort?

Q. The visit to Ingersoll Rand if you know.

MR. L'ORANGE: If you know.

A. I don't know.

Q. Do you know if in November 1971 Monsanto was still selling or attempting to promote Turbinol 153?

A. I believe we were selling it in November of '71.

Q. Excuse me?

A. I believe we were. I don't know, I don't know. There was some time when we stopped that. I can't tell you when that date was.

Q. Do you have any recollections of either in November or December of 1971 hearing that sales of Turbinol 153 would be terminated to Texas Eastern?

A. I can't put the time -- I can't put a time to it, I don't know.

Q. Can you put a place or a meeting to it?

A. I'm quite certain that we were going to discontinue Turbinol 153 to Texas Eastern at some point in time but specifically when that occurred I can't tell you.

Q. Do you recall how you heard the information about termination?

A. No.

Q. Do you recall who you heard the information from?

A. No.

Q. Do you recall any surprise on your part that there was going to be termination of these sales?

A. I don't recall surprise. I can't recall the event. I guess it would be difficult to recall emotions surrounding the event.

Q. Do you recall any reaction you had to the news?

A. I can recall being concerned about loss of sales to Texas Eastern.

Q. Earlier you testified that as of October 1971 Monsanto was not concerned that the lower Aroclors which included Turbinol 153 persisted in the environment?

A. Again it's difficult to pinpoint timing but that certainly was a belief held by my level in Monsanto. At some point in that 1970 to 1972 time period, the earlier part of that, we believed that the low or the lesser chlorinated PCB's were not showing up in the environment, that it was only the highly chlorinated ones, the 1260 and 1254 versions I believe.

Q. Do you recall if in the later 1971, early 1972 time period that belief changed on your part?

A. I believe it did.

Q. Do you recall when it changed?

A. No, I don't.

Q. Do you recall anyone ever telling you that the reason for the termination of Turbinol 153 is that there is evidence that the lower Aroclors might persist in the environment?

MR. L'ORANGE: At that point in time?

Q. At that point in time, absolutely.

A. I don't recall that.

Q. Do you recall anybody telling you any reason for the termination of Turbinol 153?

A. PCB-containing and we were discontinuing PCB-containing materials as best I can reconstruct.

Q. What I'm trying to understand is why the change from October when the material is still being sold, for instance, to Columbia Gulf to three months later in January when the termination occurs, if you recall anything during that period about what you were told, whether there was a change in knowledge, for instance?

A. I don't recall but the meeting you referenced earlier, the January '71 meeting?

Q. Yes.

A. I believe as we were going through these

discussions I'm becoming more convinced that it was in '72, January of '72.

Q. Let's refer back to that document which is Exhibit 8. Can you please show that document to the witness?

MR. L'ORANGE: Sure.

Q. Why do you now have that belief?

A. Primarily because Texas Eastern is named in that document as an account that we're going to be contacting and doing something with on their PCB material. And it seems to me that the actions that we were taking and in continuing to sell to Columbia Gulf, for instance, would be inconsistent with this or my calling on El Paso Natural Gas an attempting to sell Turbinol 153 to them into a new application would be inconsistent with what I believe was the content of this meeting.

Q. Did you keep any calendars from that period?

A. No.

Q. Does that help refresh your recollection about the content of that meeting at all?

A. The meeting I recall -- and this must be the meeting -- was those of us who had account responsibility or supervisory responsibility for

functional fluids were called into St. Louis, the seriousness or the gravity of the situation was explained to us, and a course of future action was outlined which included -- I can't be specific, I'm making things up so.

Q. Please don't make anything up.

A. Okay.

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Q. Do you recall anything more about what was said about the seriousness or the gravity of the situation?

A. I really don't, I really don't. But --

Q. Do you recall now whether this is the first time that you heard -- if we can accept your assumption that this is indeed a meeting on January 10th and 11th, 1972 -- was this the first time you heard that sales of Turbinol 153 would be discontinued?

A. I don't remember hearing it at that meeting so -- I honestly don't.

Q. Okay. Do you have any further recollection as it's coming to your conscious memory of the course of action that was described to you with respect to Texas Eastern?

A. Only that we were reformulating or making a straight phosphate ester that would not be

PCB containing and I don't know how much of that I remember and how much of that I've gleaned from documents I've looked at.

Q. It is hard to separate the two. Anything else you remember about that meeting?

A. I remember there was a considerable level of concern in the sales organization.

Q. And what was the concern directed to?

A. All these customer conversions that had to take place, it was a massive undertaking, it was going to be costly and time-consuming.

Q. Were you concerned about losing the business?

A. Oh, certainly.

Q. Were you concerned about inconvenience to the customer?

A. Sure.

Q. Were you concerned about customers being angry at you for withdrawing the product?

A. Absolutely.

Q. Were you concerned about the notice time that you would be able to give the customer?

A. I don't recall being concerned about the notice time.

Q. I'd like to introduce as Exhibit 16 this

document. This is a memo from Mr. Gossage to a distribution list which includes you and please take a minute to read it. Have you seen this document before?

A. Yes.

Q. Were any of your customers purchasers of dielectrics?

A. Yes.

Q. Presumably that is why you received this document?

A. I can't say that, I don't know.

Q. Were you involved in the termination of PCB-containing material to dielectric customers?

A. No.

Q. Who was responsible for that; do you know?

A. Don't know.

Q. Referring to the fourth paragraph to the two type of letters which were sent to customers?

A. Yes.

Q. The letters are not attached, we did not receive them with this document. But do you remember what the letters were that were sent to customers?

A. Yes.

Q. Can you tell me the letters?

A. I can't quote the letters. They were very onerous letters from a customer standpoint, you would not want to sign them.

Q. And can you summarize to the extent that you recall what the two letters said?

A. Yes.

Q. What did letter one say first of all?

A. It said that the customer agreed to indemnify and hold Monsanto harmless from any adverse consequences resulting from the use of PCB-containing materials purchased from Monsanto or words to that effect.

Q. And that was for customers who were financially responsible?

A. Yes.

Q. And what was sent to the customers who were not financially responsible?

A. Same letter.

Q. Was there any difference in the letter?

A. It says in here there was a difference, that the other customers had to provide evidence of financial responsibility.

Q. And what was your reaction to these letters?

A. As someone who was charged with customer

relations I thought it was very, very heavy handed and hard nosed of St. Louis and Monsanto to come down that hard on customers.

Q. Did you ever voice that to anybody?

A. Absolutely.

Q. Who did you voice that to?

A. I voiced it to Mr. Gossage, Mr. Johnson, Mr. Ford.

Q. What did they did say to you in response? First of all, Mr. Gossage?

A. He explained to me it was a very serious problem.

Q. What was the serious problem?

A. The whole aspect of PCB's, continued sale of PCB's, that the potential for liability was very large and Monsanto could not justify continuing to sell those products without indemnification.

Q. Did he explain to you why the potential for liability was very large?

A. We had been hit with a number of lawsuits. I don't recall him explaining to me why. It seemed to me that he relied on our ability to understand that a fifty million dollar lawsuit was serious.

Q. How about Mr. Ford, what did he explain

to you or what did he say to you when you voiced your concerns?

A. I don't recall but Mr. Ford is the consummate customer man. I'm sure he told me to go in there and make the customer happy.

Q. Okay. Did that mean don't show them the hold harmless agreement?

A. No, no, no. They had to see the hold harmless agreement. Marching orders were get that thing signed or don't sell.

Q. And how about anybody else you spoke to about it? You mentioned Mr. Ford and Mr. Gossage.

A. I don't recall.

Q. This is Exhibit 17. This is a letter dated January 7th, 1972 to Mr. Ted Harrison signed by Larry Bradford and you're cc'd on it. Do you recall seeing this letter?

A. I saw this letter yesterday but other than that I don't specifically remember seeing it.

Q. Do you remember knowing that the hold harmless agreement was sent to Mr. Harrison at the time?

A. I didn't remember that until yesterday.

Q. Do you remember preparing for a meeting on January 14th?

A. I do not remember preparing for that meeting.

Q. Did you have a fairly good relationship with Mr. Harrison up to this point?

A. Yes, I did.

Q. Exhibit 18 is a call reported dated January 7, 1972. It appears to be authored by you. Please take a minute to read it. Do you recall authoring this call report?

A. Not specifically.

Q. Do you recall this visit?

A. Yes, I recall looking at the drum.

Q. Okay. I'd like to direct your attention to page 2 of this call report. Particularly to the reference of Harrison's receiving Bradford's call that morning which is January 7th, 1972 according to this report. Do you recall what Harrison told you independently of this document?

A. No, I don't.

Q. Do you recall what you said to Mr. Harrison about why you were taking the action that you were regarding PCB's?

A. The only thing I can offer there is I was very accustomed to discussing with customers why Monsanto was taking PCB's out of systems and by this

time I had developed a fair amount of skill or expertise in discussing PCB's with customers. And my standard lines of communication with customers would involve PCB's persistence in the environment, PCB's showing up in aquatic life in the Gulf of Mexico, PCB's exhibiting toxicity to certain types of bird life, and the fact that Monsanto had experienced substantial liability concerns related to PCB's. Those were the items I typically covered with customers. I can only assume those are the things I would have covered with Mr. Harrison.

Q. Do you have any recollection of covering these concerns with Mr. Harrison prior to this call?

A. I do not specifically recall that I discussed them with him prior to that.

Q. Do you have any specific recollection of Mr. Harrison's reaction to hearing this information from you?

MR. L'ORANGE: With respect to this call?

Q. Yes.

A. No, no. All I can -- again customers so routinely reacted in a consistent manner and I suspect that Mr. Harrison reacted the same way, and that manner basically was don't do this to us, don't

take these fluids away from us, they're good, they're doing a wonderful thing and we want to keep using them. And since Harrison was asking can I use this stuff as top up, can I just add it to my existing fluids, it would appear to me his response was consistent with what we found with Gulf Oil and Shell Oil and Pogo and a whole host of off-shore gas processors, please don't take these fluids away from us, they're good and we want to continue using them, and if you've got a problem with them that's your problem, not our problem.

Q. You state here, quote: I naturally was not prepared to discuss replacement products for 153. Do you have any recollection about why you were not prepared to discuss the replacement products?

A. Other than it would appear that this was not a commercial product at that time and I dealt with commercial products.

Q. By not a commercial product what do you mean?

A. Wasn't available for sale.

Q. Do you have any knowledge about at what stage it was in at this point?

A. Vague recollection that it was in the, you know, development stages but I can't tell you if

they made pilot plan runs, if they had even arrived at a formulation, I just don't know.

(brief recess taken)

Q. Back on the record. This is a call report about a meeting that apparently took place on January 14th, 1972. The call report is authored by Dr. Hatton. This is Exhibit 19 and you are listed as being present for Monsanto. And if you could please take a few minutes to review this. Do you recall reading this report?

A. Yes.

Q. Do you recall this meeting?

A. Vaguely.

Q. What was the purpose of the meeting as far as you can recall?

A. Get them to tell them about a replacement fluid for Turbinol 153 and to have them sign a hold harmless agreement.

Q. Was it also to explain to them why there would be a termination of Turbinol 153?

A. I believe that had been presented to them previous to that. I know I had talked -- my call report indicated I talked to Ted Harrison about that previously. I'm quite certain that that would have been something that would have been an on-going

communication with Texas Eastern.

Q. Starting at least as far as you're concerned from January 7th, is that correct, when you got the call report?

A. That's the first thing we've looked at that would indicate that there was discussions. But PCB's were a topic of considerable industry discussion at that time in the 1970, '71 time period. I can recall discussing PCB's with a church group about 1970. Everybody knew about PCB's and to believe that we had not discussed it with Texas Eastern prior to that seems totally out of context with the relationship that Monsanto enjoyed with Texas Eastern. It was a very close relationship. I regarded Ted Harrison as a friend at that time, socialized with him.

Q. Do you have any specific recollection of having any discussions?

A. No.

Q. What was if you can recall the reaction of the people at the meeting to the hold harmless agreement, the Texas Eastern people?

A. I'm sure that they didn't like it.

Q. Do you have specific recollection of anything that was said?

A. I can't remember what they specifically said but customers did not like it, it was not something customers found very pleasant.

Q. Do you have any specific recollection of reasons that they gave for not signing the agreement?

A. No.

Q. Do you recall who was the spokesperson if there was one for Texas Eastern at the meeting?

A. No, I don't.

Q. How about do you recall who was the spokesperson for Monsanto?

A. I would say the principal spokesperson at that meeting would have been Larry Bradford.

Q. Did you do much speaking at the meeting if you recall?

A. I don't recall.

Q. If you can do you have any recollection of the tenor of the meeting?

A. I remember we were concerned going into the meeting. We were concerned that this was a good and valued customer, that we're going to be putting at risk potentially, could lose this customer. In fact there was concern that that would happen.

Q. Any other -- those are your concerns before going into the meeting. Do you recall any of

your feelings during the meeting about the tenor of the meeting?

MR. L'ORANGE: Before going into the meeting --

Q. He testified just about before going to the meeting. I want to know how he felt during the meeting about how the meeting was being conducted.

A. I can't recall how the meeting was proceeding.

Q. Do you recall whether there was an active give and take or was there a presentation by Monsanto?

A. I can't recall. I just don't remember the meeting that well.

Q. Turning to the second page, the second full paragraph where it describes the environmental situation with the PCB-containing Turbinol 153 was discussed in detail. Do you recall who did most of the speaking on this subject for Monsanto?

A. I would believe that Larry Bradford did but I can't recall that.

Q. Do you recall what he said?

A. No.

Q. Do you recall who did most of the speaking about the issue of the replacement fluid

again for Monsanto?

A. I can't recall -- just that would be Roger Hatton in all likelihood but I can't recall it.

Q. Turn to the last full paragraph where it describes the necessary step before conversion is General Electric approval. Do you recall that this was a step in the approval process?

A. I don't recall it, no.

Q. Do you recall what steps had to be taken before the new phosphate esters would be used or could be used by Texas Eastern?

A. Not independent of this document I don't.

Q. Do you recall being concerned about keeping the account for the phosphate esters?

A. Keeping the account, okay.

Q. Was there any alternative besides phosphate esters at this point?

A. I don't know.

Q. Excuse me?

A. I do not know.

Q. Do you know what had to happen before Texas Eastern could use the phosphate esters in terms of steps that had to be taken for approval of the new fluid?

A. I do not.

Q. Do you have any idea why or if there was any reason besides retaining this account that it was important for Monsanto to sell the phosphate esters to Texas Eastern?

A. No.

Q. I'd like to introduce this as Exhibit 20. This appears to be a memo dated March 8th, 1972 and you're on the distribution list. It's a memo by Cumming Paton. Mr. Stegen; do you recall seeing this document before?

A. I do not.

Q. Do you have any independent recollection of Inerteen 54201 being available to Westinghouse at this time which is March 8th, 1972?

A. Inerteen was shipped to Westinghouse and I received credit for those sales in Texas. I can't tell you what location. I don't believe I ever called on them.

Q. Do you have any recollection of whether Westinghouse signed the hold harmless agreement?

A. No.

MR. L'ORANGE: Would you like a confirmation from me that they did?

MS. WELCH: Yes.

MR. L'ORANGE: Yes, they did.

Q. Thank you. Turn to the page that's Bates stamped 042142. I'd like to direct your attention to paragraph 4. Do you remember the price of the material that was being sold to Westinghouse increasing at this point or any concerns that you had about it? Was Westinghouse one of your customers?

A. I received sales credit for materials shipped. We received sales credit on the basis of shipped to locations. Westinghouse was sold I believe in New York, wherever they were headquartered. I did not sell the material to Westinghouse. I received sales credit for it. I don't know if that distinction is clear to you but.

Q. Why don't you explain the distinction?

A. Someone else dealt with Westinghouse in terms of discussing pricing, technical aspects of the product, et cetera. But the rules in the specialty products division at that time was that if material was consumed in that piece of geography that was assigned to you, you received the sales credit for it.

Q. So you didn't have contact with the customer?

A. I don't ever recall calling on

Westinghouse.

Q. Nor did you have responsibility for the product that was sold to them?

A. If they had encountered a problem at that consuming location I would have been the first person they would have called but they would have initiated contact with me.

Q. Okay. Do you remember -- directing your attention to the last paragraph on this page where it says: We don't want another PCB situation three years down the road. Do you recall concerns at this time about continued sales of PCB related material regardless of the existence of a hold harmless agreement or not?

MR. L'ORANGE: Let me just object to the question as being vague and ambiguous as phrased. Do you understand what she's asking?

A. I'm not sure. Was I concerned or was Monsanto concerned or was the industry concerned?

Q. Let's start with were you concerned?

A. I believe by this time I was concerned, yes.

Q. And what was the basis of your concern?

A. Principally persistence in the environment.

Q. Do you know what Monsanto's official position was in terms of that concern?

A. I do not.

MS. WELCH: Let's take a break.

(brief recess taken)

Q. Back on the record. I have a few areas that I'd like to discuss with you that you may or may not have any knowledge about and I just want to find out whether you do. Do you have any knowledge about any studies that were done on the biodegradability of the lower chlorinated Aroclors?

MR. L'ORANGE: Study by Monsanto or --

Q. Studies by Monsanto?

A. No.

Q. Do you have any knowledge of concerns about whether the Aroclors that were used in Turbinol were biodegradable?

MR. L'ORANGE: Again concerns by Monsanto or someone else?

Q. I am referring to concerns by Monsanto.

A. I have no knowledge.

Q. Do you have any knowledge of when or if Monsanto ever concluded that the lower chlorinated Aroclors were not biodegradable?

A. I guess I believe that biodegradability

is a matter of degree. To say that they are not biodegradable I think is incorrect.

Q. That's why I asked if you have any knowledge of it. Do you have any knowledge of whether Monsanto ever concluded that the Aroclors that were used in Turbinol were biodegradable -- were not biodegradable?

A. I guess I believe all Aroclors are biodegradable to one extent or another. It's a matter of degrees. That's my belief.

Q. Did you ever hear in late 1971 that there was concern about the degree of biodegradability of the Aroclors used in Turbinol?

A. I don't recall.

Q. Do you ever recall hearing that Monsanto had stopped producing Aroclor 1232 in 1971?

MR. L'ORANGE: Is this at a point in his career or --

Q. 1971, contemporaneously?

A. I don't recall that.

Q. Would that be something that you would normally hear about as a salesman?

A. I was not a technical expert in Aroclors or PCB's so it would be rather unusual. Unless it specifically affected me and my customers in a

significant fashion I would not expect to be aware of that.

Q. I believe we established before by looking at one of the documents that Aroclor 1232 was one of the components of Turbinol, MCS-153 in any event, which was one of the fluids that was sold to Texas Eastern?

A. Yes.

Q. Does that help refresh your recollection about any knowledge you might have gained about the termination of the production of Aroclor 1232?

A. No.

Q. Did you ever hear about an Aroclor that was named Aroclor 1016?

A. Yes, I believe I did.

Q. Can you tell me what you know about Aroclor 1016?

A. I don't know what I know. I remember Aroclor 1016. It seemed to me that was a lower chlorinated version but that's --

Q. Did you ever hear that Aroclor 1016 might be used as a replacement product for Aroclor 1242?

A. I don't remember.

Q. Did you ever hear that it was being

considered as a new ingredient in Turbinol?

A. I have no recollection.

Q. Do you have any familiarity with how the Turbinol was delivered to Texas Eastern?

A. I don't know if it was delivered in drums or cars.

Q. You were not the person who was responsible for that?

A. I don't think I said that but I just don't know -- I think it was drums but I can't say that with certainty.

Q. Do you have any idea whatever happened with the disposal of the Turbinol after the termination of sales?

A. Not specifically 153. I believe that PCB's were generally incinerated by Monsanto or a contractor that Monsanto employed to incinerate. I assume that if there was Turbinol left over it went to the incinerator.

Q. Do you know whether Monsanto absorbed those costs -- I'm speaking specifically for Texas Eastern Turbinol?

A. Material that we had not shipped to Texas Eastern?

Q. No, material that Texas Eastern had

taken out of the system?

A. I don't know.

MS. WELCH: That's all I have. Thank you very much.

THE WITNESS: You're welcome.

MR. L'ORANGE: You had left open whether you wanted to confirm whether he had any document responsive to that.

MS. WELCH: Could you please look that over for a few minutes?

(A brief recess was taken.)

MR. L'ORANGE: We've stipulated to a sixty day period in which the witness can review and sign the transcript and you'll forward it to him upon his return from his skiing vacation on or about the third week in February.

(A brief recess was taken.)

MS. WELCH: Back on the record. Mr. Stegen, you've had a chance now I see to review the document request that came with the Amended Notice of Deposition. Is that true?

THE WITNESS: That's true.

MS. WELCH: Do you have any documents in your personal possession that are responsive to that request?

THE WITNESS: I do not.

MS. WELCH: Thank you.

COMES NOW THE WITNESS, DONALD STEGEN, and having read the foregoing transcript of the deposition taken on the 23rd day of January, 1992 acknowledges by signature hereto that it is a true and accurate transcript of the testimony given on the date hereinabove mentioned.

_____

DONALD STEGEN

SUBSCRIBED AND SWORN to before me this _____ day of _____, 1992.

My Commission expires: _____

_____

[Notary Public]

State of Missouri )

)

City of St. Louis )

I, Sandra L. Ragsdale, a Registered Professional Reporter and Notary Public within and for the State of Missouri, duly commissioned, qualified and authorized to administer oaths and to certify to depositions, do hereby certify that pursuant to Notice in the cause now pending and undetermined in the Superior Court of the State of California for the County of Los Angeles, to be used in the trial of said cause in said jurisdiction, I was attended at the law offices of Bryan, Cave, McPheeters and McRoberts, 500 North Broadway, in the City of St. Louis, State of Missouri, by the aforesaid witness; and by the aforesaid attorneys; on the 23rd day of January, 1992.

The said witness, being of sound mind and being by me first carefully examined and duly cautioned and sworn to testify the truth, the whole truth, and nothing but the truth in the case aforesaid, thereupon testified as is shown in the foregoing transcript, said testimony being by me reported in shorthand and caused to be transcribed

into typewriting, and that the foregoing pages correctly set forth the testimony of the aforementioned witness, together with the questions propounded by counsel and remarks and objections of counsel thereto, and is in all respects a full, true, correct and complete transcript of the questions propounded to and the answers given by said witness.

I further certify that I am not of counsel or attorney for either of the parties to said suit, not related to nor interested in any of the parties or their attorneys.

Witness my hand and notarial seal at St. Louis, Missouri, this 27th day of January, 1992.

My commission expires June 4, 1992.

Notary Public in and for the
State of Missouri