Remarks - J. C. Weber Meeting with Russell Train, Administrator of the EPA - Washington, D.C. - May 13, 1976

Good afternoon, my name is Cole Weber. I am manager of product acceptability for specialty chemicals, including polychlorinated biphenyl (PCB) dielectric fluids, manufactured by Monsanto Industrial Chemicals Company, a unit of Monsanto Company.

When Jack Fitzgerald, a Monsanto vice president and managing director of this operating unit, met with you in January, he assured you that Monsanto had no desire to remain in the PCB business any longer than necessary. He also stated that as soon as Monsanto was satisfied that the electrical power supply industry's needs for usable, acceptable alternate dielectric fluids had been met by whomever, Monsanto would voluntarily shut down its PCB manufacturing unit.

I am here today representing Monsanto to reaffirm this position and to give you a brief update on the status of development work on possible replacement products. I'll also comment on the phaseout timetable.

Based on customer feedback, the transformer industry is apparently leaning towards silicones, which are readily available, as the leading askarel (PCB) replacement candidate. We do, however, still sense some reservations on the part of our transformer customers with regard to the fire resistance of all current replacement candidates and are awaiting further clarification of their evaluation programs.

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In the meantime, we have shelved all development work on our transformer fluid alternates because they simply did not appear to be able to compete on a cost/performance basis with other viable alternates.

In the capacitor segment, the trend is currently towards commodity type solutions which are widely available in large quantities such as phthalate esters. If this approach proves satisfactory, it will obviously preclude further consideration of specialty solutions such as Monsanto's MCS 1238-type technology which is a proprietary blend specially designed as a capacitor dielectric. Consequently we are very close to terminating our development efforts in this area as well.

If the capacitor industry determines that commodity fluids are indeed the most expedient way to satisfy their cost/performance criteria, we believe that Monsanto may have viable candidates to assist them in this approach.

Regarding the phaseout timetable, we are already involved in the transformer fluid phaseout. Since we announced our intentions to exit the business, demand for PCB-filled transformers has declined substantially. Our transformer fluid sales in 1976 will be less then half the total recorded in 1975.

When the capacitor makers complete their evaluation work and tell us they are satisfied that they have viable alternates in hand, we will cooperate fully in an industry-wide changeover and proceed with the orderly termination of all PCB production, including Aroclor 1016, the current capacitor industry standard.

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Monsanto is often asked, and indeed pressed, to establish a firm exit date. We are as anxious as anyone to settle on a firm timetable so we can complete our exit plan and begin applying these considerable resources to ongoing programs. However, to unilaterally set an exit date would be inconsistent with our long-standing pledge to work with the electrical industry to replace PCBs in an orderly manner. So, to reiterate, Monsanto is fully prepared and indeed most anxious to exit this business at the earliest practical date. We will establish and begin executing a firm phaseout timetable as soon as we receive a consensus judgement that viable alternates are in hand.

Thank you.

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