Monsanto

FROM (NAME & LOCATION) B2SC C. Paton

DEC 5 1975

DATE December 5, 1975

SUBJECT G.E. Position on PCBs

REFERENCE

TO : D. L. Sliney

D. Wood

Bob — This is hot off the press — let's give our people @ least 24 hours to digest these facts & arrive @ our plan.

Luke Hart, Gen. Mgr. of G.E.'s Capacitor Products Dept. at Hudson Falls called me 8 a.m. December 5.

1. G.E./State of New York hearings on PCB pollution resume Monday with G.E. calling witnesses in their defense.

   Corporate G.E. is to take a more aggressive stand in the media. By that they mean preparing daily news releases on G.E. testimony to be available to the press at 1 p.m. each day.

   G.E. is putting together a P.R. booklet for use in briefing the media. This booklet will include G.E.'s position on PCB substitutes.

2. Luke Hart prepared the PCB substitute section and had reviewed it yesterday with Farnsworth and Welch, his superior and an executive V.P. of G.E. respectively. They were "a bit taken aback by his boldness".

3. Briefly Hart describes the substitutes as narrowing down to three families as a result of lab screening:

   a. "Plastic related chemicals" ie. phthalates
      e.g. G.E. use Econol as their tradename for DOP-containing capacitors

   b. "Modified petroleum derivatives"
      ie. MCS 1238 (M.I.C.)
      e.g. Dielectrol - internal G.E. name

   c. Dow-type replacements.

   Comparison is made on three issues:

   1 Environmental acceptability
   2 Suitability for capacitor applications
   3 Flammability

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IN-1 REV 1-72

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	Phthalates	MCS 1238	Dow	Aroclor 1016
Env. Accept. Suitability	Acceptable Small indust. only	Acceptable Useable wherever PCBs used	Acceptable High Voltage P.F. only	? Broad
Flammability	Flammable	Flammable	Flammable	Non-flammable

4. Hart has thoroughly explored the flammability issue and finds:

   a. NEMA don't call for non-flammability in utility power factor types

   b. Indoor usage of capacitors with flammable fluid limited to those containing under 3 gallons fluid which limits type to 200 KVAR.

   c. Virtually none of G.E.'s production is higher than 200 KVAR.

5. Hart's conclusions:

   a. He is willing to change from PCB to MCS 1238 in P.F. (power factor correction) capacitors.

   b. On industrial capacitors, G.E. has a policy of not putting units with flammable fluids on life tests without a protective safety device (cut-off) fitted to the units. (There has been debate these might not be sufficient.) In tests with MCS 1238 in such systems they have had no fires or explosions. So he concludes he could move to MCS 1238 in the motor-run industrial units.

6. Corporate G.E. is very concerned about their image due to PCBs and are weighing this versus their stake in capacitors which they do consider important.

7. Hart asked whether Monsanto wanted to get out of PCBs. (He said he picked up vibrations from his previous visit when he had lunch with Jack Fitzgerald.) I said Mr. Hanley was concerned, like G.E., on hurting Monsanto's image thru PCBs and a committee was now evaluating this. Yes, we would like to get out of PCBs but realized we had responsibilities and that was why we were working so hard on MCS-1238. If MCS 1238 would work this was the best news I'd heard for months. That was the gist of my response.

8. In Hart's mind the transition from PCB to non-PCB essentially boils down to:

   a. Availability of non-PCB fluid (ie. MCS 1238)

   b. Changes in G.E.'s plant etc. to switch over

   c. Market acceptability of non-PCB

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9. Hart asked if we could make MCS 1238 in our PCB equipment. I said this option was being looked at but for a variety of reasons might not be feasible and other manufacturing options were being actively evaluated. The big unknown, I said, was timing. Any question of availability and ultimate economics depended on the timing of complete change-over. I then asked:

   a. Was it true that MCS 1238 still had to be tested in their automated capacitor impregnation system which was a critical test. Luke said that MCS 1238 has worked in the lab simulation and, if need be, the plant could cope with any changes.

   b. How long might it take the ultimate users ie. A/C manufacturers to approve a non-PCB. Luke feels very quickly. (Supposedly G.M. is ready to ban purchases of PCB-containing fluorescent lights on Jan.1.)

10. On December 15, Arthur Puccini, legal counsel for a $2 billion group within G.E. but who also has other undefined executive responsibilities, will come with Luke.

11. Hart believes the industry can now be switched to MCS 1238. I told him this was excellent news.

12. Apparently G.E. has considered a joint MC/G.E. press conference a la Dow/McGraw-Edison. Luke favors a lower profile and I agreed. The reasoning was that we don't want to create an aura of suspicion on the part of other potential MCS 1238 users.

13. The agenda for G.E.'s visit will now be revised and we'll try to finalize by December 10.

14. Hart has asked us to present our manufacturing options on MCS 1238 and timing for full-commercial availability.

15. In conclusion, this does signify a break-through for us on non-PCBs. The 12/15/75 visit also gives Earle Harbison an opportunity to get the type of executive exposure to G.E. he has been seeking.

16. Recommendation: Consider dinner meeting on 12/15/75 with DLS/RGP/EHH/FJF.

Cumming Paton

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