bcc: J. E. Springgate
W. R. Corey
W. S. Clark

February 16, 1972

Mr. John F. McCaughin
J. F. McCaughin Company
2628 North River Avenue
Rosemead, California 91770

Dear Mr. McCaughin:

We are writing to advise you that Monsanto has modified its policies concerning the future sale and delivery of polychlorinated terphenyl (PCT) products used in the lost wax investment casting industry. These products have been sold under the tradename Aroclor®.

Monsanto also manufacturers certain products containing polychlorinated biphenyls (PCBs). Studies have indicated PCBs may be accumulating in the environment. Because of Monsanto's concern over this problem we have discontinued sales of PCBs, except in certain limited applications and under certain restrictive conditions. Although we were aware of no studies indicating PCTs are accumulating in the environment, Monsanto recently became concerned that, because of chemical similarities between PCBs and PCTs, future studies might indicate PCTs persist in the environment.

Without hard scientific data to guide us, Monsanto was faced with the difficult decisions of how to react responsibly toward the environment and our customers. After careful consideration we concluded we could best fulfill our responsibilities by stopping further entry of PCTs of our manufacture into the environment by discontinuing sales. We instituted such a program and previously communicated to you our intention to discontinue sales of PCTs effective March 31, 1972.

Since implementing our program, we have received information which indicates that users of PCTs in the lost wax investment casting industry will have considerable difficulty in switching to alternate materials within our original time schedule for discontinuing sales. We feel we can continue to act responsibly

cont'd

if we permit you and others in your industry to make a limited amount of additional purchases, provided we alert you to our concern that PCTs may persist in the environment. We, therefore, are advising you of the problem and urge that you exercise care in the handling, possession, use and disposition of the additional PCTs you may purchase from us. We enclose our technical bulletin on these products. We request that you note Page 22 and follow the instructions on our labels.

Further, we will make additional shipments only if purchases and delivery are made on or before June 30, 1972, subject to our normal commercial evaluation of each purchase order, and provided each customer has entered into an agreement to indemnify and hold Monsanto harmless with respect to such purchases. We also require that the financial condition of each customer must be such as to make these agreements meaningful in Monsanto's opinion.

Your company therefore will be considered for the purchase of additional quantities up to 45,000 pounds of our PCT-containing Aroclor products subject to the conditions outlined above, provided the attached copies of the required indemnity agreements are signed by an authorized officer on behalf of your company and are forwarded together with your most recent audited financial statement and any other information which you feel will assist Monsanto in its evaluation.

Until we have received signed copies of the enclosed agreement, it will not be possible for Monsanto to consider sales of the previously mentioned additional quantities of our PCT products to your company.

If you have any questions or if you wish to meet with representatives of Monsanto management relative to this agreement, please telephone (314) 694-2791, or write to me directly at Monsanto Company, P. O. Box 14617, St.Louis, Missouri, 63178.

We sincerely hope this decision to allow additional purchases during a limited period will enable you to effect a prompt and orderly switch to alternate materials. We also feel certain you share our concern for our environment and will recognize the decisions which have been taken by Monsanto are in the best interests of both of our companies.

Very truly yours,

James E. Springgate
Director
Plasticizers

Enclosures