cc: E. Shimley - Akron
C. Patton - St. Louis

March 22, 1972

Mr. R. Smela - Purchasing Agent
Electrical Utilities
2427 St. Vincent Avenue
La Salle, Illinois 61301

Dear Dick:

This will confirm my recent phone conversation that effective April 1, 1972 we are making a price change in our Aroclor 1016.

Price will be increased as follows:

	Bulk T/C	55 Gallon Drums		5 Gal. Cans
Aroclor 1016	$0.205/lb.	$0.240/lb.	$0.260/lb.	$0.305/lb.

All prices F.O.B. Sauget, Illinois freight collect. Terms: 30 days.

We sincerely regret that greatly increased costs have made price increases unavoidable. Cost increases stem from several sources:

A. Monsanto has voluntarily gotten out of much of its PCB business to protect the environment and to preserve the continued usage of these products in dielectrics. All of our efforts in PCBs have been directed toward enabling us to continue to supply dielectrics to the electrical industry. As the attached Wall Street Journal article shows (March 6, 1972), the Government may make our voluntary ban a permanent one.

B. Increased costs due to reduced plant productivity and severe curtailment of volumes. As our published sales figures on PCBs have shown, the withdrawal of PCBs from all except dielectric uses has cut our U. S. sales by over 30 million pounds per year, or 44%.

C. Increased manufacturing costs due to pollution abatement facilities to prevent PCB escape into the environment from our manufacturing facilities.

D. Heavy expenses due to biodegradation/toxicity testing, etc. related to the investigations touched off by the PCB situation.

E. Increased costs due to the higher cost of manufacture of the more biodegradable Aroclor 1016.

Dick, we realize the significance of this price increase to Electrical Utilities but we find no other alternative but to make these price adjustments if we are to continue to provide quality products.

Kindest regards.

Sincerely,

R. V. Wayland

RVW:ju
Enc.