Monsanto

FROM (NAME & LOCATION) J. A. Alley - B2SD

[redacted]

DATE : September 20, 1977

SUBJECT :

REFERENCE :

TO : W. C. Engmann
H. J. Horner
A. E. Leisy
R. A. Stohr

Please review the attached recommendation and give me your comments before September 30.

Thank you.

J. A. Alley

J. A. Alley

tmc
enclosure:

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Monsanto

FROM (NAME & LOCATION): J. A. Alley - B2SD

DATE : September 20, 1977 CC:

SUBJECT : Recommendation for discontinuance of analytical services on Askarel fluid.

REFERENCE :

TO : D. Wood
B2SD

I. ACTION

A. Issue

Monsanto continues to receive requests for analytical services on Askarel. In view of Monsanto's withdrawal from the PCB business a decision should be made on when and how these analytical services will be stopped.

B. Recommendation

It is recommended that Monsanto continue to offer the analytical services for Askarel until December 31, 1977. After this date requests from users of Askarel for analyses would be referred to outside laboratories having the necessary capabilities or the company wanting the analytical work would be supplied with copies of Monsanto's methodologies for the various tests. It is recommended that notification letters be sent to all users of our analytical service in 1976 and 1977 (see attachment). Further, it is recommended that the WGK laboratory retain the capability to evaluate product quality through September 30, 1978 in the event of customer complaint situations involving the final PCB shipments made in September/October 1977.

C. Action Requested

Management approval of recommendation.

2. BACKGROUND

Monsanto has offered analytical services on Askarel for several years to operators of Askarel transformers. Users not wishing to make their own fluid analyses could obtain the service from Monsanto. With Monsanto's withdrawal from the PCB business it does not appear reasonable to continue supporting the product line with these services.

Doble Engineering Company, Belmont, Massachusetts and transformer manufacturers such as General Electric and Westinghouse also have the capabilities to perform these analyses.

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The analytical tests have been run at the WGK laboratory. However, the primary function of the lab has been quality control to insure shipment of specification product and to perform evaluations in case of customer complaints regarding quality.

Our records at the W.G. Krummrich lab show that analyses were performed for 32 users during the past five years. Of these 32 users, six utilized our services more than that one time during the five year period. The number of analyses performed has dropped off significantly in 1977-only three users requested our services this year.

Prior to our withdrawal date of October 31, 1977 Monsanto will ship better than 4M pounds of Aroclor 1016 which will not be completely consumed in the manufacture of capacitors until the third quarter of 1978. Additionally, the service shop divisions of General Electric and Westinghouse are expected to have Monsanto produced PCB inventory on hand at least through 1978. In view of the probable existence of these inventories through most of 1978, there is the need for Monsanto to have the capability of evaluating product quality in the event of customer complaints. It is estimated that at least 90 percent of the above inventories would be used by the end of the third quarter 1978. The cost of maintaining this capability for nine months in 1978 was estimated at $1,000 by Hap Horner, Chief Chemist, W.G. Krummrich laboratory.

3. Alternatives considered and reasons for rejection.

A. Monsanto could discontinue performing analytical work concurrent with our withdrawal as a supplier of PCB's on October 31, 1977. This alternative would leave very little time for users to make other arrangements. Also, there is the potential of liabilities arising from quality complaints after the withdrawal date. Monsanto should retain the capability to evaluate product quality at least until most customer inventories are depleted. Rejected.

B. Monsanto as the sole producer of PCB's in the

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United States might provide these services indefinitely. This perpetuates Monsanto's involvement with PCB's requiring the continued allocation of resources for equipment and personnel to support the program. In effect, Monsanto would be continuing to support a product line which it no longer markets. While this approach might be viewed as a gesture of social responsibility, the costs would exceed the benefits. Rejected.

J. A. Alley

tmc

Dear Customer:

Monsanto will stop offering analytical services for Askarel fluid effective December 31, 1977. Since your company has been a user of this service, we felt it important to notify you of the discontinuance of this service so that other arrangements for these analyses can be made.

As you know, some of the transformer manufacturers have the capability to perform analyses on Askarel fluid.

If you choose to perform the various analyses at your own facility, Monsanto can supply copies of the methodologies applied in our laboratory.

Sincerely,

J. A. Alley
Industry Specialist
Dielectrics

tmc

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