MINUTES OF MEETING OF THE CORPORATE MANAGEMENT COMMITTEE

March 8, 1971

Present: Messrs.
E. J. Bock, Chairman
H. H. Bible
J. R. Eck
J. L. Gillis
J. J. Kerley
E. J. Putzell
C. H. Sommer
J. N. Ehlers, Secretary

PCB STATUS REPORT

Present: Messrs. H. L. Minckler and J. Mason.

Further progress made on the six point program previously approved by the Committee was reported.

1. Terminate sales of non-biodegradable PCB's to non-controllable end uses.

   - 14.3M lbs. annual sales have been terminated with partial substitution of blends of HB-40 and terphenyls.

   - Estimated '71 gross profit is $1.3M vs. $2.4M in '69.

2. Discontinue sale of Aroclor 1242 to NCR and replace with HB-40 in U.K. and MIBP in U.S.

   - Substitution in U.S. is accomplished with favorable performance results.

   - Bulk shipments of MIBP commencing to NCR in the U.S. Biphenyl is converted for us to MIBP as interim supply. Do not intend to invest in fixed capital until long term commitment from NCR is obtained.

   - HB-40 and MIBP are practically non-toxic and have good biodegradability.

   - Estimated '71 gross profit is $.9M vs. $1M in '69.

3. Close loop on heat transfer applications where fire retardancy is essential and replace with alternatives in other areas.

   - Over 50% of sales have been replaced by substitute materials and loop has been closed on remaining products.

   - Area requires constant attention and good housekeeping by customers.

EXHIBIT
WBP-M-63

LEXOLDMON000320
WATER_PCB-00035787

4. Replace non-biodegradable PCB's in hydraulic applications.

   - Conversion has been completed through substitution of phosphate esters and terphenyls.

   - Terphenyls may become suspect and require replacement.

5. Close loop on non-biodegradable PCB in transformer applications.

   - Good success achieved with close customer attention.

   - Solids disposal continues to pose problems which will be lessened with start-up of the incineration unit at WGK plant on June 1.

6. Close the loop on capacitors.

   - Good progress achieved with customers but problem continued as to ultimate disposal of spent capacitors.

   - MCS-1016 is promising as a substitute material with production facility on-stream June 1.

Plant discharges have been greatly reduced, approaching the one lb./day targeted for 9/30/71.

- Installation of carbon treatment facilities may be necessary at Anniston and Newport facilities.

Several isolated cases of PCB's in food have been discovered. Major efforts being made to locate source for purposes of elimination.

In the overseas area, program has worked exceedingly well in the U.K. where we have achieved a favorable public image through the active program.

- Continuing approach is being made to European manufacturers to persuade their adoption of comparable programs.

Comparison of estimated financial results for 1971 based on pro forma continued use of old products and the implemented program are:

	Old Products	New Products
Sales	$22M	$23M
Gross Profit	8.5	9.2
NIAT	2.9	2.6
Gross Investment	25.4	28.3
ROI	11.5	9.2

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WATER_PCB-00035788

The Division feels that it has essentially met its goals in the six point program. PCB usage has been reduced from 75M pounds in 1969 to 45M pounds in 1971 without a major reduction in profitability. The company has maintained the image of a responsible corporation acting positively to protect the environment. Costs of achievement include additional SARE of $500M in 1970 and $300M in 1971.

The President commended the Division for the excellent results attained in this program, but cautioned that continuing surveillance is required to keep it working in an effective manner.
(Excerpt to Messrs. H. L. Minckler and T. K. Smith.)

MON-MT-003543

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WATER_PCB-00035789

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HEW NEWS

U. S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
FOOD AND DRUG ADMINISTRATION
Rockville, Maryland. 20852

John T. Walden 301/443-4177
(Home phone 301/248-9148)

71-54
FOR RELEASE:
SUNDAY A.M.'s September 5, 1971

Six Federal agencies today agreed to establish an inter-departmental task force to coordinate a government-wide investigation into PCB contamination of food and other products.

PCB's (polychlorinated biphenyls) are a family of chemicals widely used for industrial purposes. For at least 40 years, the substances have been used in the manufacturing process or as actual components of many products, including some plastics and adhesives, printing inks, electrical and building materials, heat exchange mechanisms, and paper products.

The task force will be coordinated through the Office of Science and Technology and the Council on Environmental Quality. Other members are: the Environmental Protection Agency, the Food and Drug Administration, the National Institute of Environmental Health Sciences, and the U. S. Department of Agriculture.

The task force was created at a meeting called September 1, 1971, by the FDA to share information gathered by that Agency and by USDA. Both Agencies have been involved for some time in follow-up investigations of several industrial incidents which have resulted in low level PCB adulteration of various food products.

EXHIBIT
WBP M-64

MON-MT-008645

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WATER_PCB-00035790

The PCB Task Force will have two objectives:

-- To insure maximum, effective coordination of government response against specific and preventable PCB contamination as such problems may arise;

-- To develop a long-range strategy for coordinating scientific resources to better define the PCB problems and its possible implications for human health.

Based on current scientific knowledge, the government sees no imminent threat to the safety of the food supply or to the public health from this broadly used family of industrial chemicals. Enforcement activities by FDA, the USDA, and other agencies of government are adequate to protect the public health from the occasional accident which can result in short-term but controllable human exposure to PCB's in the food supply. Still unknown, however, and more difficult to assess on the basis of current information, is the size and significance of long-term, low-level human exposure to PCB's.

The PCB Task Force is intended to expedite the search for answers and solutions by bringing together the combined resources and authorities of cooperating government agencies.

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MON-MT-008646

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Government persons who attended PCB Task Force meeting on September 15, 1971:

Edward J. Burger, Jr.	Office of Science and Technology
J. Clarence Davies	Council on Environmental Quality
Gerald F. Combs	Department of Agriculture
Harold W. Hays	"
Robert C. Riley	"
John E. Spaulding	"
Billy Tweedy	"
John Wessell	"
John L. Buckley	Environmental Protection Agency
Dale Lindsay	Food and Drug Administration
Reo Duggan	"
Lawrence Fishbein	National Institute of Environmental Health Sciences (NIH)
David Rall	"
Lucille F. Stickel	Department of Interior
Robert W. Cairns	Department of Commerce
Bernard Griefer	National Bureau of Standards

MON-MT-008647

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bcc: Gil Buhrmann
D. H. Bechtold-Chicago
W. S. Clark
Aroclor W & N File

Monsanto

Monsanto Company
800 N. Lindbergh Boulevard
St. Louis, Missouri 63166
Phone: (314) 694-1000

September 27, 1971

Mr. Ernest McCall
Great Western Chemical Co.
6900 Fox Avenue
Seattle, Washington 98108

Dear Mr. McCall:

On September 30, 1971, Monsanto will be sending a letter out to all of our present Aroclor customers. The purpose of this letter is two-fold. First, it defines the differences between our old PCB-based Aroclors and our current non-PCB-based line of products. Second, this letter states clearly Monsanto's position on the use of these products in food or food-related applications, in potable water systems, in animal feed systems, and in pharmaceuticals. A copy of this letter is attached.

In light of the current situation with respect to PCBs, we believe that it is important to communicate this information to our customers. As our distributor, we expect you to send the same letter, or a similar letter, to each of your customers, keeping a record of the date sent. We would be happy to provide you with additional copies of our letter if you so desire.

If you have any questions on this subject, please give us a call.

Very respectfully,

W. E. Schalk
Director of Sales
Plasticizers

WES:gw
Attachment

EXHIBIT
WBP M-65

MON-MT-008648

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