INDUSTRIAL & POWER
CAPACITOR DEPARTMENT
Hudson Falls, N.Y.
December 22, 1969

cc: LP Hart, Jr.
A Pozefsky
DJ Meyers
JJ Lichiello
PE Fuerst
JF Repko - Syracuse
JS Nelson - Schenectady

MEMORANDUM: Meeting - Monsanto Company
Paul Benignus and Howard Bergen
December 17, 1969
with LP Hart, Jr., PE Fuerst, ME Scoville, and JJ Lichiello, part time

Object - to discuss:
1. Pyranol II agreement status
2. Capacitor film making at British Cellophane
3. Polychlorinated Biphenyl (PCB) contamination.

The Pyranol II agreement status is summarized by Mr. Lichiello as follows:

"We reviewed the proposed Pyranol II agreement with Monsanto, with Messrs. Bergen and Benignus. We explained that there were a number of unanswered question concerning a sublicense agreement between CFTH, France and Prodelec, France under which it is believed that our P-II patents are licensed. This explains Prodelec's activities in selling P-II throughout the world. Upon clairification of this agreement, we will be in a better position to make an equivalent offer to Monsanto.

We further indicated that an equivalent royalty rate to that of Prodelec may make a patent only agreement unremunerative. In that event, we proposed a form of continuing P-II "handling" kind of know-how agreement, together with patent licenses, on an annual stipend basis.

In the interim period, we assured Monsanto that our royalty basis would be appropriately reasonable and responsibe so that their major concern in sales should not be adversely influenced by a potential royalty rate yet to be decided.

It seems that P-II licensing has deteriorated to the point of utilization of P-II as an inducement to further purchases of chlorinated diphenyls generally. Consequently, it does not seem that P-II licensing will be a source of significant income."

Capacitor film making at British Cellophane discussion included:

Visit to British Cellophane by L.P. Hart, Jr. on September 25, 1969, during which factory facilities were not seen to evaluate Cellophane's capabilities as a film producer and impression was indicated that an even trade off in technology might be a basis of negotiation. This approach and attitude did not appear promising to a future satisfactory agreement with Mr. Hart. Mr. Bergen expressed hope that British Cellophane would change their attitude and that a future meeting tentatively possible early in 1970 could result in better understanding.



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Further progress toward agreement confirmation appears to await such a meeting. Mr. Bergen expressed opinion that he would act in changing the British Cellophane attitude to be more receptive to an exchange of compl... understanding relative to business values to British Cellophane an... ral Electric.

Discussion of British Cellophane relation to Monsanto revealed that the worldwide market distribution system Monsanto has in place is proposed to contribute to that phase of the capacitor film business cycle, somehow dealing in General Electric technology on application requirements to compete with Prodelec and La Cellophane, France. Monsanto may have to establish a capacitor film application service laboratory operation to fully compete with the La Cellophane-Prodelec combine.

Polychlorinated biphenyls contamination or PCB biological relationships have been the subject of several published reports in the U.S. and Europe (refer to memorandum of October 27, 1969 on meeting with J.S. Nelson for G.E. internal action). Mr. Benignus reports continuing buildup of press releases and research activity going on in several universities. So far, he reports, PCB has not been related to deleterious effects on biology as has DDT, both of which happen to be in the same infrared spectrographic wave length or frequency range and overlap in analytic records. The PCB radical found in birds and fish from widely separated selected areas has been duplicated in synthetic analysis of pentachlor diphenyl and higher level chlorinations, but has not been found in trichlor diphenyl 1248 or 1242 and lower level chlorinations which are used primarily in capacitors. Transformers made by G.E. use 75% #1254 Aroclor or #1476 Pyranol, pentachlor diphenyl shown by synthetic tests to have the PCB radical. Why tests for trichlor do not show up in the same way is not yet explained scientifically. Ed Raab in Pittsfield has scheduled a program of tests and meetings bearing on this subject for the transformer departments. Generally, since transformers are sealed tanks, the only possibility for contamination of water appears at manufacturing plants or in disposal of waste from transformer drainage in service. It is possible consideration may be given to elimination of Aroclors 1254 and 1260. However, since Aroclor 1242 used in capacitors is reported to include up to 6% of pentachlor material because the chlorination process always results in some distribution of chlorination levels, a concern by industry using Aroclors is that adverse and inaccurate publicity may result in inappropriate action to restrict usage. The present conclusion is to avoid any possible disposition of waste or scrap Pyranol which could contaminate water systems. We should have record of I&PC Department instructions in writing confirming practice which has been in use for some time since first learning of contamination possibilities.

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M. E. Scoville

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