

GENERAL ELECTRIC
COMPANY



REAL ESTATE AND CONSTRUCTION
OPERATION



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February 25, 1972

MAR 6 1972

J. CHURCH
SCHENECTADY

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FEB 29 1972

D. W. SCHMITT

Messrs: A. M. Bueche
M. Aven
J. F. Brown
C. M. Huggins
R. A. Koehler
R. W. Roberts
R. W. Schmitt

John Church - is imp

You may be interested in the enclosed report, which was prepared at the invitation of the White House Office of Science and Technology in support of the study being made by the government's Interagency Task Force on PCB's.

This report is the first document issued by a GE Task Force on Continuation of PCB Use, which was established as a direct consequence of a meeting held on December 15, 1971 between corporate representatives of the Monsanto Company and the General Electric Company. At this meeting Monsanto announced that henceforth it would sell polychlorinated biphenyls (PCB's) only for closed-system electrical applications (capacitors and transformers) and that such sales would be made only to customers who would agree to indemnify Monsanto against legal suits arising from leakage of PCB's into the environment during the manufacture and use of capacitors and transformers. GE has agreed to a new sales contract with Monsanto, the sole U.S. producer of PCB's.

The GE corporate officers at the December 15 meeting (Messrs. Meloun, Peltosalo, Schlatterbeck, and Vanderslice) agreed that a task force should be formed to 1) prepare a public statement for the OST and 2) prepare an internal risk/benefit analysis of GE's role as a manufacturer of capacitors and transformers that contain PCB's. Item 1 is enclosed; item 2 is in preparation. The membership of the task force is given on the attached sheet.


Dr. E. L. Simons, Manager
Environmental Information Center

ELS:l
(Enclosure)

774683

GENP 006034

TASK FORCE ON CONTINUATION OF PCB USE

J. F. McAllister, Chairman
Manager-Product Quality
Corporate Executive Staff
570 Lexington Avenue
New York, N.Y.

R. J. Boudreau, Manager, Advance Development Laboratory
Industrial and Power Capacitor Products Dept.
Hudson Falls, N.Y.

O. H. LeBlanc, Manager, Dielectrics Unit
Corporate Research and Development
Schenectady, N.Y.

J. S. Nelson, Consultant, Product Environmental Compatibility
Product Quality Staff
Schenectady, N.Y.

A. Pozefsky, Manager, Engineering
Industrial & Power Capacitor
Hudson Falls, N.Y.

E. L. Raab, Manager, Dielectric Systems
Insulation Systems Laboratory Operation
Pittsfield, Mass.

E. L. Simons, Manager, Environmental Information Center
Environmental Protection Operation
Schenectady, N.Y.

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SEP 17 1973

J. CHURCH

PITTSFIELD

**ASSIGNMENT OF
TASK FORCE - BUSINESS POSTURE RE: PYRANOL TRANSFORMERS**

copy for file

The assignment of the Task Force is to -

- make a business risk assessment of the pyranol transformer product lines with respect to the environmental protection regulations; and
- furnish the recommended business course of action to the General Manager, Transmission and Distribution Equipment Business Division

Need for such a determination is the substantial potential threat to profitability that exists due to -

- 1) The liability exposure indicated by the exceedingly stringent guidelines regarding water and soil contamination established by the Environmental Protection Agency; which exposure was emphasized by the recent pyranol oil spill in Tennessee that cost the Group \$800,000; and
- 2) The possibility of a significant loss in future sales revenue.

To focus the Task Force on assessing the business risks involved instead of on technological programs, the study will be founded on one fundamental assumption: No substitute for pyranol will be developed.

The recommended business course of action is to be selected from among alternatives (including doing nothing different) that have been evaluated as to profitability and other financial considerations, significant impact on operations, trade-off opportunities, the implications to customers, and implementation timing.

A written report will be made of the evaluations, conclusions, recommendations, and alternatives considered. The highlights of the report will be given in an oral presentation to the General Manager, Transmission and Distribution Equipment Business Division.

Three months is the target for completion of the study.

774685

GENP 006036

TASK FORCE - BUSINESS POSTURE RE: PYRANOL TRANSFORMERS
OUTLINE OF WORK PROGRAM

GENP 000057

Areas of Study	Prime Responsibility	F/W	Timetable for Task Force Activities
I Liability exposure of continuing manufacture - Examine the degree of liability exposure by taking into account factors such as: o Annual volume of units, where used, how shipped, etc. o Past rates of accident frequency and severity - Make a probability projection of future accidents & quantify potential costs - Consider intangible risks related to EPA & public relations	James S. Nelson Consultant-Product Environmental Capability (Corporate Staff) J. G. Jewell Manager-Applied Mathematics Lab (GTRO)	30-31 32 33	C. J. Meloun approve assignment, representation, out of work program, and timetable W. M. Nave forward above to the Task Force members and Dept. General Managers Planning meeting of Task Force <u>8:15 AM Thurs. 8-23-73 Phila. (Sharon Hill)</u>
II Future availability of pyranol - Evaluate the prospects for the continuing availability of pyranol. - Consider: o Plans of Industrial & Power Capacitor Dept. o Vendors re: other users of pyranol & the actions anticipated by the vendors & users o NEMA posture, programs, effectiveness	E. L. Raab Manager-Dielectric Systems Lab (GTRO) Dr. N. Pozefsky Manager-Technology Planning I&P Capacitor Dept.	34-40 41	Task Force members, individually and as teams: a) compile, analyze & interpret data; b) define initial conclusions; c) identify alternates & evaluate; d) organize significant supporting information. Task Force meet to a) consider the individual &/or team findings; b) integrate results; c) scope initial assessments, conclusions & recommendations; d) formulate structure of final report; e) make assignments for writing the report g) identify additional information required <u>8:15 AM Tues. 10-9-73</u>
III Business significance of pyranol transformers - Product applications & market size - Sales & net income involved - Financial & operating consequences of withdrawing, totally or partially, from the business - Other products (if any) by which to serve the market & their availability to T&DEB Division - Financial & other requirements imposed by product alternatives - Implications to customers of the alternatives - Business actions & timings foreseen	W. M. Rogers Operational Planning-Med. Trfr. Dept. D. R. Bair Mgr.-Customer Service Eng.-Pwr. Trfr. Dept. A. M. Blackburn Operational Planning-Dist. Trfr. Dept.	42-43	Obtain additional information; prepare first drafts of reports and distribute.

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Areas of Study	Prime Responsibility	F/W
IV Conclusions and Recommendations - Assessment of alternative actions, trade-offs and consequences - Recommendation of business course of action	W. M. Nave and Task Force	

IV Conclusions and Recommendations

- Assessment of alternative actions, trade-offs and consequences
- Recommended business course of action

W. H. Nave and Task Force

Memo.

To: J. Church

Per phone conversation of today (9-12-73) enclosed is copy of the General Task Force assignment. I do hope you will find this helpful.

SEP 17 1973
J. Church
PITTSFIELD

Secretary to
Wm. Nave

Marian Conway

F/W

Timetable for Task Force
Activities

GENP 006041

44 Task Force meet to

- a) review individual reports;
- b) determine final assessments, conclusions and recommendations;
- c) make assignments for oral presentations

8:15 AM Wed. 10-31-73

8:15 AM Thurs. 11-1-73

45-46 Write final report and prepare oral presentations

47 Task Force meet to

- a) review final report
- b) review oral presentations

1:15 PM Mon. 11-19-73

8:15 AM Tues. 11-20-73

W. H. Have provide production of final report

48 Task Force make oral presentation to C. J. Meloun

Summary of Task Force Meeting Dates

8:15 AM Thurs. 8-23-73

8:15 AM Tues. 10-9-73

{ 8:15 AM Wed. 10-31-73

{ 8:15 AM Thurs. 11-1-73

{ 1:15 PM Mon. 11-19-73

{ 8:15 AM Tues. 11-20-73

F/W 48 with C. J. Meloun

774687

TECHNICAL RESOURCES

GENERAL ELECTRIC

RIVER ROAD, SCHENECTADY, N. Y. 12345

D I A L
C O M M

8*235-2261

SUBJECT

TASK FORCE ON CONTINUATION OF PCB USE

December 17, 1971

Messrs. O. H. LeBlanc, Jr.
A. Pozefsky
E. L. Raab
E. L. Simons

Task Force Objective

On December 15, 1971 a meeting occurred between corporate representatives of Monsanto and General Electric Company to discuss conditions under which Monsanto will continue to supply polychlorinated biphenyls (PCB) as a dielectric and coolant in sealed electrical apparatus. Reference is made to the memorandum of that meeting issued by J. F. McAllister (12/15/71).^{*} This is a statement of the work now contemplated as necessary to execute Task #1 and Task #2 as identified in that memorandum, viz.:

- Task #1 - General Electric Risk/Benefit Analysis
- Task #2 - Statement of Public Need, for submission to the Office of Science and Technology (O.S.T.)

For each task, it is expected that responsive information will need to be generated for each of the product classifications involved (i.e., transformers, power capacitors, and small industrial capacitors), after which the product-oriented findings must be melded into the two final reports constituting the output of the task force.

Structure of Task Force and Deployment of Resources

Our proposal for the structure and membership of the Task Force is diagrammed as Exhibit I (attached). It contains two "product" teams (capacitors and transformers) and assigns responsibility for consultation, liaison, and final report writing. The proposed product team structure involves the premise that each team chairman will be able to call upon whatever Group specialists are required for task accomplishment. It is evident that support will be needed from persons involved in such activities as strategic business planning and marketing, as well as engineering. As noted above, each product team (headed, respectively, by Pozefsky and Raab) will provide material both for Task 1 and Task 2. A preliminary description of the content of the reports to be generated is given in the accompanying Exhibit 2 and Exhibit 3. Each team will be assisted by Dr. LeBlanc in achieving the degree of documentation and the basis for credibility appropriate to corporate-level review (in the case of Task 1 information) and review by the prominent scientific personnel of O.S.T. (in the case of Task 2 information). Mr. Nelson will serve a liaison function as a member

COPIES:

AE Peltosalo
WA Schlotterbeck
CJ Meloun
TA Vanderslice
LP Hart, Jr.
EL Dobbins
DJ Voss
M. Drucker
JF McAllister
JS Anderson
AM Bueche
JF Young
RJ Boudreau

2 - John Dutton

* Copy attached for those not on original distribution.

Messrs. O. H. LeBlanc, Jr.
A. Pozefsky
E. L. Razb
E. L. Simons

- 2 -

December 17, 1971

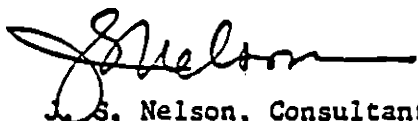
of each product team and assist Dr. Simons with the organization of the final reports.

The Time Element

The first order of business must be the accomplishment of Task 2. Because a "government position news release" is anticipated from O.S.T. (or possibly from the Interagency Task Force on PCB, using inputs from O.S.T.) within 30 days, it is apparent that for our contribution to be properly assimilated, it must be submitted to O.S.T. in about two weeks from the date of the Monsanto meeting; i.e., January 1, 1972. This leaves precious little time, with the seasonal holidays intervening. Accordingly, Task 2 must receive priority, with Task 1 appropriately following a few weeks later.

Initial Task Force Meeting

The first meeting is called by Chairman McAllister for Monday, December 20, at 9:30 a.m. in Schenectady, Building 36, Room 505. Work statements, assignments, and schedules are to be firmed up.



J. S. Nelson, Consultant
Product Environmental Compatibility

JSN:ev
Att.

GENP 006040