Monsanto

FROM (NAME & LOCATION): Industrial Chemicals Co. - St. Louis

DATE: December 17, 1971 CC:

SUBJECT:

REFERENCE:

TO : Directors of Marketing
Field Sales Directors
Field Sales Managers
District Sales Directors

CONFIDENTIAL

At their Board meeting on December 9, 1971, Monsanto's Board of Directors approved corporate Monsanto decisions previously taken as follows:

1. Terminate all sales of PCB fluids for use in heat transfer applications by formal notice to all customers.

2. Immediately implement a plan to terminate all sales of polychlorinated terphenyls by March 31, 1972 for plasticizers.

3. Sales of PCB fluids for transformer or capacitor use will be dependent upon the receipt of agreements acceptable to Monsanto, holding Monsanto harmless from legal liability associated with the use of PCBs in transformers and capacitors from customers whose financial responsibility makes such agreements meaningful in Monsanto's opinion.

Since Monsanto Industrial Chemicals Company sells these products to many key corporate Monsanto customers, we want you to be aware of these decisions and their implementation so that customer visits don't lead to surprises.

What MICC products are involved?

1. Specialty Products Business Group
Functional Products Group
MICC

Heat Transfer Fluids: Therminol® FR-Lo Temp
Therminol® FR-0
Therminol® FR-1

DEFENDANT'S EXHIBIT 5095

PLAINTIFF'S EXHIBIT 1653

Capacitor Dielectric Fluids:	Capacitor 21 Aroclor® 1016 Aroclor® 1242 Aroclor® 1248 Aroclor® 1254
Transformer Askarel Fluids:	Inerteen 100-42 Inerteen 70-30 Inerteen PPO Pyranol A13B3B

2. Plasticizer Business Group
Rubber & Process Chemicals Division
MICC

Plasticizers	Aroclor® 1221B	Montar 5
	Aroclor® 5432	Santicizer 301
	Aroclor® 5442	Santicizer 311
	Aroclor® 5460	Santicizer 326
	Aroclor® 6000 Series	Santicizer 327
		Santicizer 335
		Santicizer 336
		Santicizer 337
		MXP 101

What effect will this have on our customers?

While everyone wishes these decisions did not have to be taken, and while they will cause some inconvenience to customers, the picture is not so gloomy as might be supposed.

1. These decisions should not come as a complete surprise to any customer. We have been alerting customers by letter periodically since February, 1970 of the problems associated with PCBs.

2. We phased out PCBs from certain applications (plasticizers, hydraulic fluids, and process fluids) from mid-1970 to early 1971.

3. We discontinued sales of PCBs to new heat transfer fluid systems several months ago.

4. Since August, 1971, many existing PCB heat transfer fluid users have effected conversions to non-PCB fluids. (To date over 150 of such systems have converted. We have retained 90% of these conversions for Monsanto with our non-PCB heat transfer fluids Therminol 55 and 66.)

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What help are we offering our customers?

1. Heat Transfer Fluids

As explained in our customer notification letter, we have assembled an experienced engineering team to give help to customers as they decide on conversions. We also offer the services of a high temperature incinerator to dispose of used PCB heat transfer fluids, and will accept return of originally packaged PCB fluids.

2. Dielectrics

The decision on dielectric fluids will probably not affect most of you since transformer and capacitor manufacturers are a reasonably small and separate group. We emphasize that we are not discontinuing dielectric PCBs since their usage is important to the national interest. Monsanto is conditioning such sales, however, on obtaining certain financial safeguards, while acting responsibly in the interest of the electrical industry, its consumers, and thus the country. We are also active in ANSI C107, a committee set up to develop guidelines and policies for handling PCB in the electrical industry.

3. Plasticizers

Monsanto is working to develop a list of suggested replacement products and suppliers to be used as a guide in replacing our Aroclor® products in existing formulations.

Questions from customers

Customers are going to ask questions about these decisions. We would suggest that your salesmen not try to answer these questions but to refer the customer to St. Louis:

Heat Transfer Fluids

Telephone:	(314) 694-2514
Mail:	Cumming Paton Monsanto Company P. O. Box 14617 St. Louis, Missouri 63178

Dielectrics

T. L. Gossage	(314) 694-2545
P. G. Benignus	(314) 694-2513
C. Paton	(314) 694-2520

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Plasticizers

W. S. Clark (314) 694-2518

Direct inquiries from customers to Monsanto district offices should be handled in the same way. If you wish to pass on questions or statements from customers, please feel free to do so through the same channels.

Key Monsanto customers

Attached you will find a list of key corporate Monsanto customers who will be given special notification of Monsanto's decisions. Separate lists are given for Heat Transfer Fluids and chlorinated terphenyl plasticizers. No list is given for dielectric customers since discontinuation of sales will not result unless our terms are rejected. Customers not included in these lists will receive the formal notification letters by mail (copies attached). Key customers will be notified as follows:

Heat Transfer

1. By mail: Formal letter plus cover letter indicating that conversions are already underway or (in the case of multi-plant locations) have actually taken place at some locations.

2. By phone: Formal letter will then be mailed.

3. By phone plus personal visit (letter hand-carried): In this category we may ask assistance from Regional Vice Presidents or Directors of Sales/Marketing to introduce us to the "right" people. The personnel primarily involved from Specialty Products Group in notifying key customers will be:

   H. S. Bergen, Jr. - Business Group Director
   T. L. Gossage - Director of Marketing
   M. T. Johnson - Field Sales Manager
   C. Paton - Product Manager

Plasticizers

1. By mail: Formal notification by letter addressed to the Office of the President to be mailed on 12/31/71.

2. By phone: By regional managers and salesmen during period from 12/20/71 to 12/31/71. This will cover all important accounts.

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3. Personal calls: By regional managers and salesmen from 12/20/71 to 12/31/71 with follow-up visits by St. Louis management personnel from 1/1/72 to 1/14/72 at key accounts as appropriate.

Customer Notification

U. S. Domestic Customers

Heat Transfer Fluids: December 15-20, 1971
Plasticizer Aroclor: December 20-31, 1971

Canada

Notification will follow the U. S. pattern as quickly thereafter as practical.

International

Action will be taken through World Area Marketing management in the first quarter of 1972.

It is very important that you do not make this subject a deliberate topic of conversation in your dealings with your customers. Please do not preempt the business groups involved in notifying customers. We have alerted you so that you are not caught unaware should delicate negotiations concerning your products be going on. We would ask in return that you treat this information in confidence so that we can implement these corporate decisions as effectively as possible for both Monsanto and our customers.

Competition

Be particularly careful in how you handle this information at the following accounts:

Dow
Dow Corning
All oil companies

Dow is Monsanto's major competitor in synthetic heat transfer fluid. They have never had fire-resistant fluids like Therminol FR fluid. However, they will be out to obtain refills of fluid with Dowthern against our Therminol 66. If the customer operates at temperatures below 550°F. or so, he may elect to go to lower cost fluid such as Therminol 55. In these cases, our competition will be petroleum-based fractions from Humble, Mobil, Shell, etc.

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Finally, may we ask that this memo be furnished only to those with a need to know.

C. Paton
Product Manager
Dielectric, Heat Transfer &
Process Fluids
Specialty Products Business Group

W. S. Clark
Product Supervisor
Plasticizer Business Group

Enc. (H. T. Fluid Letter)
(Plasticizer Aroclor Letter)
(Key H. T. Fluid Accounts)
(Key Plasticizer Aroclor Accounts)

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