Monsanto

FROM (NAME & LOCATION) W. R. COREY - B2SL

DATE : March 7, 1972 CC:

SUBJECT : EXCEPTIONS TO OUR PCB/PCT PHASE OUT PROGRAM

REFERENCE :

TO : C. P. Cunningham - B2SA

1) PCB'S

The major exception to our PCB program is Goodyear Tire and Rubber Company, who uses PCB's in their heat transfer system at their polyester plant. A change out program is under way, the objective of which is to eliminate the PCB's from this system as quickly as possible. However, this is now estimated to take at least six months. During the interim period we have negotiated a hold-harmless contract with Goodyear and will make minimum possible sales of PCB's to them during the change out period under the terms of this agreement.

Martin-Marietta has submitted to us an unusual hardship case. They use Aroclor 1254 as an important component of missile heat shields and at present have progressed to the point where certain inflight testing may be desirable. Each missile uses 2 pounds of Aroclor and Martin-Marietta feels they would need about 10,000 pounds of additional material to complete the inflight test work. We have told them we would sell them this 10,000 pounds prior to June 30, 1972, if it is definitely established that they need it, and provided they sign our hold-harmless agreement.

Mobil Chemical Company's Mr. Bob Brown (General Manager, Chemicals) requested we supply him one truckload of Aroclor 1221 (PCB) and two truckloads of Aroclor 5442, or that we supply three truckloads of Aroclor 1232. His request was received on January 14 or 15. His use of the material is classified as highly confidential and involves their work with the Air Force over the past three years to develop a less flammable hydraulic fluid for fighter aircraft (F-4). The quantities of our material are needed for flight test programs during 1972 until they can get Air Force approval on another reformulation. (They stated their original material was Aroclor 1232 and they had recently received approval for using a blend of 1221/5442.) They estimate it will

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take at least six months to readjust the formulation. If we cut off their supply they will be back to starting all over again with the Air Force on this program. On January 21 we sent them a "type of hold-harmless indemnification agreement" which Mobil Chemical would have to sign, and advised we would limit shipments to the first six months of 1972. This letter was a tentative offer and not a commitment on Monsanto's part. To date, we have not heard further from Mobil Chemical.

We have agreed to continue to sell PCB-containing hydraulic fluids to the German coal mining industry for the shortest possible time beyond January 31, 1972, to permit clearance of substitute materials. Indemnity agreements are not possible but techniques of sale reviewed with German counsel are being utilized to minimize our exposure.

A commitment to sell 600 tons of our PCB dielectric fluids was made to the Russian State Purchasing authorities in December, 1971, prior to the formulation of our Ex-USA program. Completion of deliveries before our March 31, 1972, cutoff date is not possible, nor is an indemnity feasible. Full disclosure of problems is being made but some deliveries will occur into July 1972.

2) PCT'S

A number of exceptions have been made to our PCT phase out program and they are as follows:

PRECISION CASTING INDUSTRY	ADDITIONAL QUANTITY/LBS.	TERMINAL SHIPPING DATE
M.Argueso & Co.,Mamaronek,N.Y.	335,000	6/30/72
Arwood Corp., Rockleigh, N.J.	38,600	6/30/72
Freeman Mfg. Co., Toledo, Ohio	62,000	6/30/72
J. F. McCaughin Co.	45,000	6/30/72
Precision Cast Parts, Portland,Ore.	54,000	6/30/72
Yates Mfg. Co., Chicago, Ill.	454,000	6/30/72
Nalco Co., Chicago, Ill.	10,000	6/30/72

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IMPREGNATED PHENOLIC RESISTOR INDUSTRY	QUANTITY/LBS.	TERMINAL SHIPPING DATE
Airco Speer Electronics, St. Marys, Pa.	137,000	6/30/72
Stackpole Carbon Co., St. Marys, Pa.	15,000	6/30/72
OTHERS		
Lava-Simplex Internationals, Chicago, Ill.	22,000	6/30/72
General Electric Co., Laminated Products Div. Coshocton, Ohio	250,000	6/1/72

In all cases listed above sales of these additional quantities prior to the date listed will be made only if the companies sign hold-harmless agreements and, as you will note, no sales of PCT's will be made after June 30, 1972.

As of this date all of the companies listed have been offered the opportunity to purchase the quantities specified if they will sign hold-harmless agreements. So far all of the companies have been notified in writing of the terms and conditions under which we will make the sales but the necessary documents have not been signed.

W. R. COREY

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