MAR 7 1977

OUTBOARD MARINE
Corporation

WAUKEGAN • ILLINOIS 60085 • CABLE ADDRESS • OMCORP

ADMINISTRATIVE
300 SEA-HORSE DRIVE TEL. 689-6200

MARINE ENGINEERING-ENGINE SECTION
300 SEA-HORSE DRIVE TEL. 689-6200

MARINE ENGINEERING - STERN DRIVE SECTION
3145 CENTRAL AVENUE TEL. 689-5700

March 2, 1977

Mr. J. W. Hanley,
Chairman and President
Monsanto Company
800 N. Lindbergh Blvd.
St. Louis, Mo. 63166.

cc: Mr. Richard A. Stohr
Monsanto Industrial
Chemicals Co.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63166.

Gentlemen:

In reference to our tenders of defense dated August 30, 1976, and September 30, 1976, and to our subsequent letters advising you of the various proceedings and developments in the matters tendered, enclosed for your information is a copy of a "Findings of Violation and Order for Compliance" issued by the U.S. Environmental Protection Agency to Outboard Marine Corporation on December 28, 1976. This Order followed a series of meetings between Outboard Marine Corporation and the U.S. Environmental Protection Agency which commenced on October 12, 1976, of which you were informed and requested by Outboard Marine Corporation to attend and participate.

On December 10, 1976, you were advised of a December 15, 1976 meeting with the Illinois Environmental Protection Agency and asked to participate. That meeting has led to a series of meetings which continue to date. As anticipated, these meetings have included discussions regarding full settlement of the requests contained in the letter from the Illinois Environmental Protection Agency dated September 15, 1976 and there is a possibility of full settlement within the next few weeks. In addition as a result of these meetings and the settlement discussions, Outboard Marine Corporation finds it necessary to commence an environmental assessment study of the areas surrounding its Waukegan, Illinois facility.

0019287

It would be appreciated if Monsanto and Outboard Marine Corporation could schedule a meeting before April 1st for the

TOWOLDMON0055210

To: Mr. J. W. Hanley
cc: Richard A. Stohr

March 2, 1977

purpose of discussing the current proposals, issues and problems, including possible further settlement and the environmental assessment study, that have, and may, arise out of Outboard Marine's use of Pydraul.

As stated previously, Outboard Marine Corporation feels that the responsibility, if any, for this entire situation rests with Monsanto, who manufactured and sold the PCB-bearing product, Pydraul, and Outboard Marine Corporation continues to demand that Monsanto undertake the defense of these matters.

Very truly yours,

Hugh B. Thomas

Hugh B. Thomas
Senior Counsel and
Assistant Secretary

HBT:JKR
Enc.

0019288

TOWOLDMON0055211