

Monsanto

FROM (NAME & LOCATION): J. P. Snow - B3NF - (4-4230)

DATE : June 8, 1977

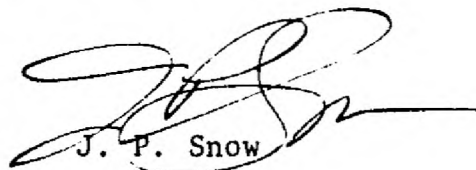
SUBJECT : PCB RETIREMENT

REFERENCE :

TO : Messrs.
G. L. Bratsch
P. O. DeGarmo
F. P. LaBelle (2)
H. J. Lawler
R. S. Nelson
J. Newton-Brussels (DEX)
F. A. Stroble (8)
L. O. St. Peters
R. A. Stohr
C. A. Sweets

cc: Messrs. L. A. Miller
F. J. Holzapfel
R. E. Beal
J. E. Hastings
T. M. King
M. F. Mee
E. T. Mollica
R. A. Pohl
L. B. Rubin

Attached is draft of the PCB Retirement Request for your review. Would you please address your comments to me no later than June 16.



J. P. Snow

JPS/ec
Attachment

EX P-3223
Page 1 of 4

0148118

NUMBER: 21-714

DATE: June 8, 1977

PAGE 1 OF 1

Initiating Organization: SPECIALTY CHEMICALS DIVISION - MIC

Project Title: RETIRE WORLDWIDE PCB ASSETS

Brief Summary of Request:

Situation

At the end of 1976 Monsanto announced the worldwide termination of PCB manufacture and sale by October, 1977. Environmental unacceptability of PCBs precipitated this decision. Termination of all business activity is scheduled for October 31, 1977 with dismantlement, decontamination and disposal of all equipment completed by June, 1978. Facilities affected by this request are the W. G. Krummrich and Newport Plants.

An accrual for \$2.8 M (\$2.0 M domestic - \$0.8 M international) was approved in 1976 and the loss was charged to cost of goods sold in 1976.

Obsolescence expense to be approved via this request:

	(Dollars in Thousands)		
	US	UK	Total
Net Assets Retired	392	160	552
Dismantling, Decommissioning and Decontamination Expense	<u>1570</u>	<u>640</u>	<u>2210</u>
Total	1962	800	2762

Action Requested

The Board of Directors approve the attached Retirement Request.

SIGNED: F. J. Fitzgerald
Managing Director, MIC EX P-3223
Page 2 of 4

MONSANTO INDUSTRIAL CHEMICALS COMPANY
RETIREMENT REQUEST

To: Mr. J. W. Hanley

June 8, 1977

SPECIALTY CHEMICALS DIVISION
W. G. Krummrich and Newport Plants
Retirement Request No. 21-714

TITLE: Retire Worldwide PCB Assets

Summary of Property To Be Retired (\$M)

	<u>U.S.</u>	<u>U.K.</u>	<u>Total</u>
Gross Assets to be Retired.	3083	768	3851
Less: Accrued Depreciation thru 8/77	2691	608	3299
Salvage Value	<u>0</u>	<u>0</u>	<u>0</u>
Estimated Retirement Loss	392	160	552
Estimated Dismantling and Decommissioning Expense	1217	374	1591
Estimated Decontamination Expense	323	260	583
Uninstalled Spares	<u>30</u>	<u>6</u>	<u>36</u>
Estimated Net Charge to Obsolescence	1962	800	2762
Repayment of Investment Tax Credit	14	0	14

F. J. Fitzgerald
Managing Director, MIC

EX P-3223
Page 3 of 4
0148120

PCB-ARCH0748569

REASON FOR RETIREMENT

Late in 1976, Monsanto announced that it would terminate it's worldwide polychlorinated biphenyl operations no later than October 31, 1977. The reason for this action was the persistence of these chemicals in the environment.

Subsequent to this decision, Monsanto recognized \$3.8 M extraordinary obsolescence loss in 1976 (\$2.0 M Domestic, \$0.8 M International). The purpose of this retirement request is to provide authority to retire, decontaminate, dismantle and properly dispose of the physical assets involved.

The domestic portion of this retirement will include the dismantling and decontamination of the Aroclor and Pyranol facilities at the W. G. Krummrich Plant and transportation of the dismantled equipment to an approved toxic land fill. The existing tank car fleet will be decontaminated and used in controlled service. All product inventories and residues will be incinerated.

The international segment of this request covers the dismantlement and decontamination of the Aroclor and Pyroclor facility located at Newport, Wales. Disposal of the physical equipment will be treated in a manner similar to the domestic program.

The program to dispose of the PCB facilities has received endorsement of environmental and legal groups within MIC.

ALTERNATE COURSES

The following alternate courses were considered and rejected because of potential contamination problems:

- . Retention of the equipment to manufacture other products.
- . Sale of equipment for scrap.
- . Sale of equipment allowing subsequent use in Manufacturing.