

November 30, 1970

Mr. Frank E. Argersinger
General Electric Co.
100 Woodlawn Avenue
Pittsfield, Mass. 01201

General Electric

Dear Frank:

Randy Graham and I enjoyed our visit with you. I am particularly pleased that I had the opportunity to meet you and to discuss with you the price increase for Aroclor.

The price of Aroclors will be increased \$0.02 per pound effective 1 January 1971. The new price for tankcar shipments of Pyranol A13B3B and Aroclor 1260 (Pyranol A13B1E) will be \$0.187 per pound, F.O.B. plant and \$0.18 per pound delivered respectively. As I stated at the time of our meeting, there are several factors which lead Monsanto to this price increase decision.

Certain of the more highly chlorinated PCBs (polychlorinated biphenyls) have been found to persist in the environment, and may be harmful to sensitive marine and bird species.

Due to this PCB environmental pollution problem Monsanto has withdrawn certain Aroclors from non-electrical product applications where confinement and control of the PCBs are not possible. This has resulted in substantially lower volumes and increased product costs.

We intend to continue to make these products available to the electrical industry for use in sealed capacitors and transformers. In doing so, the need to conform with requirements dictated by the PCB environmental problem has resulted in additional increases in manufacturing costs, toxicological testing expenses, and research costs.

Monsanto has historically had a responsible pricing policy on Aroclor. We will continue to operate under the same policy and have approached this price change as one which would provide Monsanto only the minimum necessary revenue required by the true increases in our cost of operation.

I have attached for your review and consideration a sales contract

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covering the period January 1, 1971 to December 31, 1971. If you find that you are interested in such an arrangement, you should complete the document by adding Pittsfield's estimated partial requirements in the quantity section of the contract, have all 4 copies executed and return to me.

We look forward to continued close relationships with General Electric. We solicit your assistance in the proper handling of these products to minimize losses to the environment.

Sincerely,

T. L. Gossage
Director of Sales
Functional Fluids

/lsc

Attachment

cc: P. G. Denignus
G. R. Graham
H. S. Bergen