Monsanto

FROM (NAME—LOCATION—PHONE) M. A. Pierle - St. Louis, G4WT - 4-8882

DATE: February 26, 1987

SUBJECT: ANNISTON

REFERENCE:

TO: R. G. Potter G4NH

cc. H. J. Corbett D1D
R. L. Fields C2NJ
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You requested that we estimate the potential site environmental costs at the Anniston plant. MAC has provided current estimates of these costs and we have reviewed them.

Various restructuring, RCRA closure and ERAP reserves for the Anniston site were established at $5.8M exclusive of PNP and polyphenyls ($1M). Anticipated expenditures against these reserves will result in a $1.9M balance. This includes reasonable estimates for closure of various RCRA facilities and equipment, decontamination of parathion and P_2S_5 departments, clean up of the ditch to Snow Creek, and additional site investigations.

Ongoing monitoring and remedial actions associated with the old parathion plant and the landfill are estimated at $300-400k per year. MAC has budgeted funds for 1987 to cover these costs, and is committed to cover the same costs in future years.

It should be made clear, however, that no monies have been reserved for a major site cleanup program. The basic assumption, based on present knowledge of the site and regulations, is that any current contamination can best be contained in place. A requirement for removal and disposal of contaminated soil or to deal with significant changes in current regulations on idle sites, would require major, undefined expenditures. Should such a major need develop, the corporation would need to address proper allocation of costs.

In summary, planned environmental improvements can be accommodated within the current reserve with an expected balance of $1.9M environmental and $1.0M PNP and polyphenyls. The ongoing costs associated with planned closure ($300-400/yr.) will be borne by MAC. The expanded site study will be started in 1987 with results expected in about 12 months. While the $1.9M would cover reasonable further cleanup efforts, any significant issues would have to be dealt with based upon the facts at that time. As we have indicated before, discontinued MCC operations were a significant part of the Anniston history.

We are ready to discuss the details at your convenience.

M. A. Pierle

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