C. Paton - B2S H
J.J. Roder - B2S J
H.R. Ford/C.L. Clay - 1070

November 1, 1971

Mr. R.F. Hibbs
President
Union Carbide Corporation
Nuclear Division
P.O. Box Y
Oak Ridge, Tennessee 37830

Dear Mr. Hibbs:

We recently contacted your firm relative to our desire for your firm to discontinue the use of the Therminol FR series heat transfer fluid and to replace them with a heat transfer fluid which does not contain polychlorinated biphenyl (PCB). The Therminol FR series includes Therminol FR Lo Temp, Therminol FR O and Therminol FR 1. Your firm indicated that because of the fire resistant characteristics of the Therminol FR series, such a change could not be made at this time.

While we can not make any assurances that Therminol FR products will continue to be available, we are, for the present and because of your special need for a fire resistant heat transfer fluid, willing to continue supplying Therminol FR products to your firm on the following understanding:

1. Your firm acknowledges that it is fully aware that in some studies certain PCBs have been found to be persistent, an environmental contaminant and, possibly, injurious to some forms of bird, aquatic and animal life. Accordingly, it is very important that PCBs be kept out of the food chain.

2. Your firm shall use Therminol FR products only in existing heat transfer systems which are presently utilizing Therminol FR products. In no event shall your firm use any Therminol FR product in any system associated with, related to, or in connection with food, food related products, animal feeds, pharmaceutical products, packaging materials involving any of those items and buildings where any of these items are manufactured or stored.

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3. In the use of Therminol FR products, your firm shall use its best efforts to prevent entry of PCBs into the environment through spills, leakage, use, disposal, vaporization or otherwise.

4. Your firm shall indemnify and save Monsanto harmless against any and all losses, damages, costs and expenses (including cost of defense and reasonable attorneys' fees) which Monsanto may suffer, incur or pay out by reason of any claims, actions or demands arising out of or resulting from any pollution, contamination, toxicity or environmental matters which involve or are in any way associated with any of the Therminol FR products supplied to your firm. Your firm shall not assert any claims against Monsanto arising out of or resulting from any such pollution, contamination, toxicity or environmental matters.

It must be recognized that this letter in no way obligates Monsanto to continue to sell Therminol FR products to your firm. Monsanto reserves the right at any time to suspend, curtail or terminate the sale of Therminol FR products to your firm.

If the foregoing is acceptable, please have one of the copies of this letter signed by an authorized officer of your firm and returned to the undersigned. We appreciate your cooperation in this matter; if there are any questions or comments, please contact us.

Sincerely,

Howard S. Bergen, Director
Specialty Products
Organic Chemicals Division

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ACCEPTED AND AGREED TO:

_____

BY _____

TITLE _____

DATE _____

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