PCB's

I've reported before on the adverse publicity polychlorinated biphenyls, or PCB's, were receiving and the program we undertook to eliminate this hazard. This program is nearing completion with very satisfactory results.

As background, PCB's have been used for over 40 years without any indication of hazard to man or the environment.

Scientific studies of a few years ago indicated that they imperiled some bird species by preventing proper egg formation and are toxic to shrimp and other marine life. They are relatively non-toxic to humans.

When these studies were given publicity by environmentalists the Organic Division was instructed to undertake an immediate program to eliminate this hazard. As the sole domestic producer, our position was particularly vulnerable.

This decision had some major financial risks as the PCB business accounted for over 21\overline{M}$ in sales and 10\overline{M}$ in gross profit to the company in 1969.

These are the steps that have been taken.

1. Sales of non-biodegradable PCB's have been terminated to non-controllable end uses.
   . For example, sales through distributors were eliminated.

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- The sales eliminated amounted to 14.3M lbs. with other products being partially substituted.

2. Substitute materials have been developed for use by NCR in the U.S. and the U.K. in its carbonless reproduction paper.
   - This was a major customer usage which couldn't be cut off immediately without putting NCR out of this business.
3. In heat transfer and hydraulic applications, sales are restricted to uses in closed systems where fire resistance is mandatory.
   - For those not having closed systems, sales have been replaced by environmentally acceptable materials.
   - More than 15M pounds annual usage in these areas has been eliminated.
4. A special problem exists in transformer applications where fire retardancy is essential and no commercial substitute material is available. Out entire power network would be threatened if this usage was abruptly eliminated.
   - Here we have established programs for regeneration and recycling of spent material with customer cooperation.

. Materials that are not reclaimable are destroyed in a special incinerator.

5. The effluents from our producing plants have been reduced by over 100 fold. They are approaching our target of a pound/day.

This program has eliminated over 30M pounds of non-biodegradable PCB annual usage. This has been accomplished in large measure through substitution of new materials which are environmentally acceptable.

Problem areas still exist and a constant cooperative effort with our customers is necessary to minimize discharges into the environment.

From a financial standpoint, our sales revenues have not declined due to sales of substitute materials (some newly developed).

. Profits have been reduced somewhat, approximately $300M, primarily due to the much higher cost of research and customer contact work to carry out this program.

In all, we believe this program has been a socially responsive one. We have even been lauded by one environmental group. It has taken some good technical achievements to bring it about. And, we have managed to maintain a traditionally profitable business.