Monsanto

FROM (NAME & LOCATION) E. H. Harbison, Jr. - B3SA

DATE December 23, 1975 cc Mr. R. G. Potter

SUBJECT PCB SITUATION -- ACTIONS UNDERWAY

REFERENCE

TO : Mr. F. J. Fitzgerald

In light of Mr. Train's press conference yesterday, December 22, we are taking certain steps to prepare ourselves for possible inquiries concerning our general reactions to the conference and/or specific points covered by Mr. Train.

There were no surprises in the news conference with the very major points being:

1. We (that is the society) must work toward a goal of totally eliminating the production, importation and use of PCB's as rapidly as possible.

2. Mr. Train is calling a meeting of the leadership of the manufacturers of PCB's and the major manufacturers of transformers and capacitors to meet with him (date now set as January 14, we understand) to discuss specific plans by which safe and environmentally acceptable alternatives for PCB's can be developed as rapidly as possible.

3. Mr. Train is ordering his regional offices to complete ongoing surveys of transformer and capacitor manufacturing plants as well as Monsanto's Krummrich Plant within the next 60 days to "determine the precise manner in which PCB's enter the land, air and water and what precise measures can be taken at each plant to eliminate or drastically minimize such PCB contamination."

4. He is calling on the presidents of major electric utility companies and other major users of large transformers and capacitors to assume responsibility for controlling the use and disposal of their PCB's.

There were many other more detailed points but those are the key thrusts. We are currently undertaking the following actions:

1. Preparing a brief, general response to the question "what is Monsanto's response to Mr. Train's press conference statements."

   (See Attachment 1)

2. Preparing questions and answers covering pertinent points raised by Mr. Train's conference. This is more detailed than the general statement referred to in 1. above.

   (See Attachment 2)

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3. Mr. Papageorge is working with the Medical Department to itemize what information we have on possible effects of PCB's on our work force at Krummrich and the local population and the efforts we have underway as well.

   (A statement will be forthcoming)

4. We are waiting for the letter Mr. Train is sending Mr. Hanley apparently calling for Mr. Hanley to meet with him and other industry leaders on January 14. When we see the letter, we will offer our recommendations to you on:

   a. Who should attend.

   b. What action, if any, we should take preparatory to the meeting with major customers, particularly GE.

   c. What position Mr. Fitzgerald and/or Mr. Hanley should take if called by GE.

I am also attaching a memorandum describing my conversations with Mr. Lucas P. Hart, GE, on December 19.

Earle H. Harbison, Jr.

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attach.

ATTACHMENT 1

PROPOSED ANSWER TO QUESTION -- "WHAT IS MONSANTO'S RESPONSE TO MR. TRAIN'S PRESS CONFERENCE STATEMENTS"

1. Monsanto agrees with Mr. Train that we must work toward a goal of eliminating further use of PCB's.

2. Monsanto has consistently taken steps toward this end: first, by limiting the use of PCB's to closed circuit systems back in 1971 prior to completion of the Federal Interagency Task Force study completed in 1972; second, Monsanto has been working for a number of years on replacement products of a non-PCB nature both for use in capacitors and transformers and currently has such replacement products in testing by the major manufacturers in the United States.

3. Mr. Train has pointed up the difficulty in dealing with the PCB issue and, indeed, it is a tough one to handle but the difficulty is not and will not be in lack of cooperation, particularly from Monsanto. The problem is,rather, rooted in the unique character of PCB's and the role they have served in our electrical industrial environment. Replacing that role in an orderly manner without creating another hazard of equal or potentially greater consequence is the problem.

4. Mr. Train and the user industries which we serve will certainly find us cooperative. We have no desire to remain in the PCB manufacturing business any longer than is necessary to develop an orderly transition to replacement products which meet the needs of the electrical industries which power America.

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ATTACHMENT 2

PCB PREPAREDNESS Q&A - RE EPA PRESS CONFERENCE - 12/22/75

Q1. What is Monsanto's reaction to the statements made by EPA at the press conference?

A1. The conference contained no surprises and no new information other than EPA's plan to invite interested parties to a meeting in Washington in mid-January. The information presented was basically a summary of that presented in November at the PCB Symposium in Chicago.

Q2. Will Monsanto attend the meeting and do you plan to cooperate with EPA?

A2. Yes. We will attend the meeting and we intend to continue our policy of cooperation with the EPA, other government agencies and industry in our joint search for an acceptable solution to the problem.

Q3. Is Monsanto doing any research on non-PCB alternates and, if so, what is the current status of these programs?

A3. Yes. Monsanto has had research programs on-going for several years. These programs were intensified at about the time we began withdrawing from open system applications. To date we have spent millions of dollars in our search for alternate products that would be, in themselves, more environmentally compatible than PCBs and significant progress has been made.

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The capacitor industry has been evaluating a non-PCB capacitor dielectric candidate for some time and, subject to final industry acceptance, Monsanto could begin supplying the new fluid in quantities sufficient to meet the entire U.S. industry's needs by late 1976.

Development work on new, non-PCB, transformer dielectric fluids is also being aggressively pursued. Several promising candidates have been identified and are presently being readied for further evaluation by the transformer industry.

Q4. Assuming acceptable replacement dielectric fluids become available from some source, be it Monsanto, Dow or whomever, would Monsanto then voluntarily phase out its PCB production in the absence of any federal mandate?

A4. Of course! When we made the conscious decision back in 1970 to begin restricting sales to closed-system dielectric uses, the main reason we elected to continue supplying the electric industry was that they had no viable alternates to turn to. EPA recognizes this, even today. At the press conference, Mr. Train said he would not ask Monsanto to stop production because that would shut down the electrical power industry and the railroads in short order. He said we must find a way to proceed without shuting down the country. This is precisely the position to which Monsanto has been committed since 1970.

Monsanto has every intention of eventually phasing out its PCB production (in a planned and orderly manner) as soon as we are satisfied that the electrical power industry's needs for usable, viable alternates have been met.

In the interim, we will continue to work with industry and government to ensure that the restricted measures and controls we voluntarily implemented in the early 1970s remain in force and are diligently pursued. Mr. Train's objectives are aimed at the same results.

Q5. According to EPA, Monsanto makes about 40 million pounds of PCBs per year at its Sauget, Illinois Plant. What does Monsanto know about the effects this large volume has had on its plant workers and the nearby residents? Surely they must be inhaling vapors and being contaminated in other ways. What assurances can you give that this won't become another asbestos, VCM or Kepone situation? How many people are employed in the PCB production/incineration units?

A5. PCBs are considered by our 19 production people and five incinerator operators to be a normal industrial chemical as contrasted to many which are actively toxic. We provide the same safeguards and monitoring program for PCBs as we do for other industrial chemicals. Exposure to the material and its vapors is very limited, protective clothing and related safety equipment is not only provided but required.

Proper ventilation is also provided and standard industrial hygiene practices are vigorously followed. We perform routine maintenance and safety inspections on all the manufacturing equipment and we continually monitor and sample the workers environment. Each plant employe undergoes a thorough, mandatory physical examination every year. Several months ago a group from the National Institute of Occupational Safety and Health (NIOSH) visited the Krummrich plant and concluded that employe exposure to PCBs in our operation was too low to be of concern.

NOTE - Any additional questions on this subject or on the subject of animal testing should be referred to Dr. G. Roush, Monsanto's Medical Director.

Q6. The EPA said that from two to five pounds of PCBs per day are discharged into the Sauget waste treatment plant from Monsanto's production facilities. Is this true? And what has Monsanto done to minimize its discharges?

A6. No. Our current measurable losses to the environment are less than 0.001 per cent of total production (less than ½ pound per day) and no level has been detected in the ambient atmosphere using sampling and analytical techniques currently available. Since 1969, we have invested more than 30 man years of work and millions of dollars in this program.

In our manufacturing area, we have taken a number of significant steps to prevent loss of PCBs to the environment. In essence, we have made the department a "concrete bathtub." Drainage is

directed to trenches and piping, and then to one of two 3,000-gallon settling basins. This insures PCB containment in case of accidental spill or equipment failure.

We have also installed an incinerator to safely dispose of PCBs. This is accomplished through incineration at or above 2000° +F. Use of the incinerator and other technical assistance is available to our customers on a continuing basis.

When small quantities of PCBs are collected into the settling basins in the manufacturing area they are later pumped into drums, and eventually incinerated. In the incinerator area itself, drainage is directed to trenches and piping which flow into a 10,000-gallon basin. Recovered PCBs are periodically pumped to storage, or incinerated.

In the manufacturing area, we have also rerouted relief valve lines and atmospheric vents through catch tanks, or redirected them to settling basins.

We also provide nitrogen blanketing on storage tanks to eliminate any "breathing" of the tanks and resultant PCB escape.

We have installed mist eliminators in vapor lines - once again to eliminate the possibility of PCBs leaving the manufacturing area through these lines.

Finally, we have replaced underground sewers with above-ground sewers, and repaired or combined others, so that we can monitor

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the effluent from the department. In addition, this will prevent any unknown buildup of PCBs in our sewer systems or any contamination of PCBs into other sewers.

Much of the success of our efforts also depends on maintaining a high housekeeping level in the department itself. Among the housekeeping responsibilities our operators have assumed are these:

--All pumps are checked for leakage on every shift. Drip pans that collect leaks are emptied into scrap PCB drums.

--All leaks are reported and documented so that corrections can be made and settling basins observed.

--"Floor Dry" is used to absorb any PCBs that have spilled or leaked. If it becomes necessary to flush PCBs to the settling basin, a minimum amount of water is used.

--Sampling drums and scrap-PCB drums are quickly palletized, labeled and transferred to the incineration area.

Through these kinds of programs, we feel we have literally built a "concrete bathtub" to catch and safely dispose of PCBs at our manufacturing location.

Q7. Could you describe disposal policies regarding spent PCBs?

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A7. Guidelines for handling and disposal of capacitor and transformer grade PCBs were prepared in 1972 and have been approved by the American National Standards Institute. These guidelines are intended to restrict the release of PCBs into the environment. They provide standards for incineration as well as for disposal by other than burning. Incineration facilities must meet the applicable requirements of the state in which they are located. In addition, certain landfill sites have been classified by state governments and the federal government as suitable for the disposal of toxic and hazardous liquids. Where these "environmental" landfills exist, they may be used for the disposal of liquid PCB wastes.

Q8. How are requests for incineration handled by Monsanto?

A8. Arrangements for all return shipments of PCB containing material to Monsanto are handled individually. Instructions are forwarded for <u>each</u> consignment to customers to ensure that they are aware of any changes in procedure. Monsanto supplies pre-addressed drum return labels marked "Disposal Only." All drums used must meet DOT 17E specifications as to construction. Monsanto supplies an identification number for each shipment to be placed on the bill of lading and on <u>each</u> drum. Incineration charges are currently 8¢/lb. with an $8.00 per drum handling charge for each drum returned. It should be pointed out that these charges do not begin to cover the cost

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of maintaining and operating this service. Monsanto does not accept solids such as sawdust, rags or sludge. These items can not be handled in the incinerator.

A letter is provided by Monsanto to be attached to the driver's copy of the bill of lading. The subject of the letter is to be brought to the driver's attention. Included are instructions to the driver to prevent introduction of the liquid into the environment. Included in the letter are phone numbers of Monsanto Company officials and the shipper.

Q9. Could Monsanto reach the "zero" discharge level being proposed by EPA?

A9. No. "Zero" discharge at a facility producing some 40 million pounds per year would be technically impossible. However, Mr. Train pointed out at his press conference that the quantities being found in the environment <u>are not</u> coming from our Sauget Plant, but rather from the shipments made to Monsanto's customers.

Q10. In addition to Monsanto's own incineration service, are there other locations where PCBs can be disposed of properly?

A10. Disposal service companies, meeting American National Standard Guidelines relating to the disposal of PCB containing materials, are located in at least nine states and include both incineration services and environmental landfills. States where these facilities

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are located include the following: California, Delaware, Illinois, Kentucky, Louisiana, New York, New Jersey, Texas and Washington.

Q11. Mr. Train indicated that Japan had banned PCBs and that EPA will conduct a thorough review of the Japanese experience. If a highly industrial nation like Japan, with widely acknowledged electronic technology can get along without PCBs, why can't the U.S. electrical power industry?

A11. Monsanto and the U.S. electrical industry are often asked this question. In the first place, it should be pointed out that the major uses for PCBs in Japan were not electrical but rather "open applications," particularly for carbonless paper. The Japanese power distribution industry, less advanced than the U.S. technically, had never actually gotten around to taking advantage of fire resistant transformers to the extent they have been used in this country. Most of their transformers were either using mineral oil or were dry-type units. The Japanese capacitor industry on the other hand was only in the beginning stage of converting its equipment to the more reliable PCB dielectrics when the ban was announced. Reliability standards for capacitors in the U.S. are much more stringent than they are in Japan or anywhere else in the world. So the Japanese ban really did not materially impact that country's electrical power distribution industry.

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Q12. Mr. Train has repeatedly said he will never be able to control PCBs effectively without Toxic Substance Control Legislation. What is Monsanto's reaction to this?

A12. We don't really understand his reasoning here. He has said he would not ask Monsanto to stop production because it would shut down the country. We assume this statement would apply equally with or without a new Toxic Substance Law.

If he had imports (which we understand are being used in "open applications") in mind, which according to figures released by Rep. Les Aspin (D-Wis.) earlier this month, are projected to be as high as 385,000 pounds this year -- up 40 per cent since 1972, Monsanto feels he has all the authority he needs under section 504 of the Federal Water Pollution Control Act.

Q13. What is Monsanto's position regarding Toxic Substance Control Legislation?

A13. Monsanto Company's corporate policy supports government actions whenever such actions are clearly in the public's best interest and are needed to protect human health and the environment.

We recognize that there are certain gaps in existing regulatory controls, and that safeguards may be needed to fill those gaps. Consequently, we do not oppose enactment of reasonable legislation that would provide for the testing and regulation of chemical substances which present unreasonable risks. At the same time, we object emphatically to any prospective legislation that would impose broad, sweeping controls that overlap and duplicate existing laws.

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