

Monsanto

FROM (NAME & LOCATION)

C. Paton - B2SC

DATE

December 23, 1971

SUBJECT

DISCONTINUATION OF
THERMINOL® FR SALES

REFERENCE

PERSONAL & CONFIDENTIAL

TO

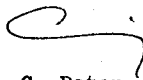
R. L. Brandenburger
R. T. Clark
D. J. Murphy
S. F. Pickard
P. L. Slayton
E. L. Shimley
H. R. Ford
D. R. Hansen

cc J. F. Stapleton/P. S. Park III
H. S. Bergen
J. Mason
W. Corey
T. L. Gossage
N. T. Johnson
W. S. Clark
J. J. Roder
D. E. Roush
D. Danzer
O. S. Ratterman
F. M. Calkins
R. L. Neary
P. W. Gann

Further to my memo of December 17, I am sending you answers to questions that may be raised by customers concerning our withdrawal of Therminol® FR heat transfer fluids. Please do not circulate these questions and answers and do not volunteer this information unless specifically asked. If you need answers to questions not on this list, please call me at 4-2520 and I will try to get them for you. The answers given here have been checked by J. F. Stapleton and P. S. Park.

Customer reaction to our decision so far has been excellent. Calls have been received by the team of conversion engineers from 24 customers who received our formal notification letter without any personal forewarning. None gave us any "static" and conversion plans are underway smoothly. Management in St. Louis has called around 80 key accounts by telephone. Again, no adverse reaction was received.

Thank you for your cooperation.


C. Paton

Attachment

/kl

0159919

EX P-2971
Page 1 of 5

PCB-ARCH0750130

DISCONTINUATION OF THERMINOL® FR SALES

1. Q. Why has Monsanto decided to discontinue Therminol® FR heat transfer fluid sales?

A. We have previously written to all Therminol® FR heat transfer fluid customers alerting them to the precautions necessary in handling and using these PCB-containing products. Earlier this year we stopped selling Therminol® FR fluids for new heat transfer fluid systems. We also discontinued sales of make-up Therminol® FR fluid to food-related applications and worked with these customers in converting FR fluid to non-PCB heat transfer liquids (e.g., Therminol 55 and Therminol 66). We have now decided to discontinue all Therminol® FR heat transfer fluid sales in the U.S.A. and Canada because there are serious problems associated with the possibility of accidental leakage of PCB from heat transfer systems.

2. Q. Who within Monsanto decided to discontinue Therminol® FR heat transfer fluid sales?

A. This decision was made by Monsanto's corporate management and affirmed by its Board of Directors at their monthly meeting in December, 1971.

3. Q. Does this action mean Monsanto is getting out of the heat transfer business?

A. No. The sales ban applies only to the FR series of fluids (Therminol® FR-Lo Temp, Therminol® FR-0 and Therminol® FR-1). The FR series is the only one that contains PCBs. All other Therminol® heat trans-

fer fluids (Therminol® 55, 66, 77 and 88) are PCB-free.

4. Q. Are you banning sales of all Therminol® fluids?

A. No. Not all Therminol® fluids contain PCBs. Therminol FR series (i.e., FR-Lo Temp, FR-O and FR-1) are the only ones containing PCBs. All other Therminol® fluids (i.e., Therminol® 55, 66, 77 and 88) are PCB-free.

5. Q. What replacements are available from Monsanto for Therminol® FR fluids?

A. The most likely Monsanto replacements are Therminol® 55 or 66. We must advise you that none of Monsanto's remaining Therminol® heat transfer fluids are fire resistant. We suggest you work closely with your insurance company in converting from Therminol® FR fluids so that you make a carefully considered informed decision. As stated in our letter of December 15, 1971, Monsanto has a team of engineers available to be of assistance to you in making your decision. They may be contacted by telephone at (314) 694-2514 or by writing Dr. Cumming Paton, Monsanto Company, P.O. Box 14617, St. Louis, Missouri 63178.

6. Q. What other fire resistant heat transfer fluids are available from Monsanto?

A. Unfortunately we have none available and will not have one available in the foreseeable future.

7. Q. What other fire-resistant heat transfer fluids are available in the U.S.A. or Canada?

- A. The only fire resistant heat transfer media we know of are high pressure water and molten salts. Both of these systems have disadvantages which may rule them out as replacements for many existing Therminol® FR systems.
8. Q. Could I obtain PCB fluids outside the U.S.A. or Canada?
- A. PCBs are manufactured in France, West Germany, Italy and Japan. The decision on imports is yours to make. We would suggest, however, you consider such a course of action very carefully.
9. Q. Why has Monsanto acted so precipitately on Therminol® FR sales?
- A. We do not consider our action precipitous.
10. Q. We do not dispute Monsanto's reason for its decision on Therminol® FR fluids; our strong criticism of Monsanto concerns the lack of warning by Monsanto that they were going to ban Therminol® FR sales. Why were we given no warning?
- A. Our previous communications should have alerted you to the possibility of this decision on our part. We believe warnings were given. We communicated our decision that no new heat transfer systems would be sold Therminol® FR. Sales of Therminol® FR to food-related applications were discontinued. In addition, we have encouraged remaining customers to consider converting to a non-Therminol® FR fluid either before or at the time for the next "make-up".
11. Q. We believe it is impossible to convert all Therminol® FR systems in the U.S.A. and Canada on the day your decision was received. That means heat transfer systems are still operating on FR fluid; why can't we have another drum or two to last until such time as we can shut down our plant for conversion?

EX-2974
Page 4 of 5

0159922

PCB-ARCH0750133

A. Monsanto believes that lee-way in the matter of filling Therminol[®] FR orders after its decision was communicated could lead to stock-piling, which we believe is unwise under the present circumstances. One of the key reasons for establishing a team of engineers at Monsanto is to give advice and assistance to aid customers in arriving at informed decisions on how to handle such situations. Assistance may be obtained by calling (314) 694-2514 at Monsanto's St. Louis headquarters.

12. Q. How long will the engineering team be available to help on conversions?

A. We would hope most customers will have converted to non-FR fluids in the first four months of 1972. However, the engineering team supplements the ongoing team of Monsanto heat transfer fluid specialists. Monsanto's heat transfer fluid specialists are always available for reasonable periods to assist customers.

13. Q. What evidence do you have that Therminol 55 and 66 will not give similar problems to the ones that have arisen with Therminol[®] FR?

A. We will send you bulletins on Therminol 55 or 66 which contain relevant data on this subject.

14. Q. Your letter of December 15, 1971 states that refunds on returned Therminol[®] FR fluids will not be given after March 1, 1972.

Does this mean I must convert to another fluid by then?

A. The decision on when and to what to convert is yours. The refund policy applies only to unopened drums of Therminol[®] FR you may be carrying as inventory in your warehouse.