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PCB PLANNING TASK FORCE

Minutes of 1/22/76 Meeting

This meeting was devoted to defining European aspects of the plan with G. Marichal and J. Haggart.

- Competitor behavior

They are unlikely to abandon PCB's short of a regulation which most likely would come from OECD rather than state governments.

- Governmental concerns

OECD will meet in Paris on March 15 and review the PCB question. We can begin to set a climate for our replacement product if the 1238 story gets to EPA in the next couple weeks, because they will attend (R. Train has targeted a worldwide phaseout through OECD). We should also follow up with UK and EEC governing bodies before the March 15 meeting but after EPA. If the existence of an adequate replacement product becomes visible to OECD, then a movement toward a ban could result. Absence of a similar solution for transformers is a hindrance.

- G.E. behavior toward licensees

G.E. derives $1.5M annually from Magvar patent licenses. These patents are specific to capacitors using PCB's so G.E. has communicated nothing about 1238 while they sort out their opportunities in licensing know-how, particularly in the face of our 1238 application patent. We must resolve the ownership of information provided us by G.E. under the Research Agreement -- can we publish or release to third parties?

- Licensing of Monsanto technology

While our basic thrust will be to improve market share by being first with a good non-PCB product, full conversion of the industry to hydrocarbon/sulfone technology would be speeded by existence of a second source. We thus would entertain a licensing proposal but will let "them" make the first move from a bargaining strategy viewpoint. Prodelac would be the preferred licensee, since they are so committed to the dielectrics business that they are unlikely to drop out -- this is not true of Bayer. If Bayer drops out of PCB's, we might offer them biphenyl for their DPO/biphenyl heat transfer fluid ~~and shut down their obsolescent biphenyl furnaces.~~

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- Timing

  Because of competitive and regulatory differences versus U.S., it is vital that Europe phase out of PCB's on a separate later timetable. The Business Plan should address itself to justifying the difference.

The remainder of the meeting involved defining the "main line" European program, which will be put in Events Chart form.

J.R. Savage

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