Monsanto

FROM (NAME—LOCATION—PHONE): D. R. Bishop - F3EE - 4-2891

DATE: March 2, 1984

cc: BC: L. J. O'Neill

SUBJECT: PCBs

REFERENCE:

TO: J. F. Hussey
J. T. Nolan

PERSONAL & CONFIDENTIAL

Somehow, I feel I've written this memo before.

John Craddock, our resident PCB expert, chairs sometimes monthly luncheon meetings of a small group to keep us informed on the various regulatory and legal issues attendant with this product. We had such a meeting today.

From the comments made by Craddock (on the regulatory side) and from Joe Nassif (on the legal side) not only today but routinely, it's clear that things aren't going very well for Monsanto with respect to PCBs. As today's Orange Sheet details, an important, potentially precedent-setting lawsuit on silo contamination starts next week. With somewhere between 1,000 and 1,500 PCB-contaminated silos out there, several additional lawsuits could follow and big dollars would be at stake in each.

There are several other suits, either filed or likely to be filed, concerning contamination to large office buildings following fires. And there's a third miscellaneous category of suits involving exposure to PCBs and/or toxic by-products from assorted incidents.

While no two of these suits are alike, they all allege, among other things, that those exposed are suffering or will in the future suffer adverse health effects.

In addition, a number of very disturbing and wholly unjustified actions/regulations are being proposed or considered at both the state and federal level, including greatly increased nit-picking-type enforcement actions on the part of EPA, all of which tend to exacerbate the potential for additional litigation.

I have several real concerns about the way Monsanto is managing the PCB problem:

- At the risk of oversimplification, I have the feeling that John Craddock and Joe Nassif are the only people in Monsanto paying much attention to this issue. Nassif also is heavily involved in dioxin issues and is thus spread awfully thin. Craddock is like a voice in the wilderness -- screaming that the "sky is really falling" and no one is listening.

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- If he's only 20 percent right, PCBs are every bit as big of a long-term threat to Monsanto as is dioxin.

- We've got batteries of lawyers, technical people and staffers supporting our dioxin defense and we have the support and awareness of top management on this problem.

- I fear that few, if any, of our top management have any sense for the seriousness of the PCB problem or the need to put an appropriate corporate effort in place to deal with it.

I'm not talking here about a PR problem but rather the lack of a corporate management effort to deal with PCBs -- as I perceive it.

I realize that I could be wrong; Craddock and/or Nassif may be overreacting or overstating the problem. However, I think there's enough evidence to warrant a full-blown management review. If you agree, I'd like to suggest that, as the next step, I take my case to Jim Senger and/or Hal Corbett.

I'd appreciate any comments/reactions.

Thank you.

Dan R. Bishop

DRB:ec