Monsanto

FROM (NAME & LOCATION): C. Paton - B2SC

DATE: November 24, 1975 cc: D. Wood

SUBJECT: PCB Action Plans

REFERENCE:

TO: J.R. Savage

Per your request of 11/17, following are my comments:

1) PCB Plan re Epidemiological Studies

This plan appears to be running about 2 months behind schedule (e.g. #7 was carried out about 11/15 and I don't know if it concerned epidemiological data as opposed to our feeding studies). Action by Marketing should await update by Medical and also wait till the Chicago Hearings have been summarized so that we get some idea of EPA's intentions.

2) Emergency Plan

Those attending Chicago Hearings should present a report with conclusions and the likely posture/actions of EPA et al. This may give us some idea of likely as opposed to speculative emergencies. Our odds of coping with an emergency obviously improve as time goes along. As of today, I doubt if we could or should justify a crash program to replace all PCBs in 6 months.

3) Orderly Transition

We are behind schedule on this plan -- partly due to the reorganization. HSB's plan called for an AR submission to CAC by 2/15/76. This cannot be met. I am not too sure we can come close to meeting the 12/24/75 date on item IV 2A (marketing related input from R&D, Mfg., Medical, Prod. Accept.).

Several points need to be borne in mind:

1) CEA 3023 may be operating on some erroneous input:

e.g. (a) product forecasts and product mix.
(b) the assumption that since the transformer program is 12 months behind the capacitor program, the capacitor program should proceed on a crash basis and we consider the transformer case separately, allowing that this will put the transformer users in a real "fix".

IN - 10 REV. 1/73

our customers have the problem of cleaning out their equipment but I think they could claim with reason that this is unavoidable for some time. Monsanto could hardly claim that our only course of action was to introduce a replacement still contaminated with PCBs. Can you imagine the field day Dow, etc. could have with such a revelation.

3) There appear to be many risks in our MIPB/TXS/MCS 1238 manufacturing program. I don't believe marketing should force a date for commercialization on manufacturing without the risks being spelled out and the time needed to quantify them given. I think we are still in a position to control our commercialization program to the customers.

This is my thinking-out-loud input at this time. I hope you can follow my train of thought. This was dictated in the midst of other pressing deadlines.

C. Paton

/bh

As far as MCS 1238 is concerned, most customers are only 4-5 months behind where G.E./Westinghouse will be with MCS 1839 by 12/31/75.

There is probably more room for growth in transformers than in capacitors. In the U.S. we have ~ 80% of the total capacitor fluid market but in transformers we have ~2% of the total fluid market. Introduction of a satisfactory non-PCB fluid will allow us to mount a promotional program on transformer fluids which we have not been able to do for over 5 years.

With silicones the acknowledged fall-back to replace PCB's in an emergency, leaving askarel customers to their fate (by pushing ahead on MCS 1238 production alone) means that silicones will capture the market. That means that MCS 1839 has to dislodge silicones, not PCB's. We won't be in a very effective position to do much with MCS 1839 on a commercial scale till 2 years or so from now. If this is to be our strategy why should we take "time-out" from MCS 1238 to pursue MCS 1839 this early. All it does is dissipate scarce time and manpower. Personally, however, I'd like to see a program where both MCS 1238 and MCS 1839 developments proceed side by side. If it means delaying commercial quantities of MCS 1238 for 3-6 months, O.K.

2) The Post-Dispatch article of 11/24/75 on the Chicago Conference stated the following:

a) Ban on all PCB's except dielectrics.
b) Need to review/tighten up dielectric use (that probably will mean 6-12 months before we know what the regulations will be).
c) Non-PCBs need to be screened thoroughly.

Our timetable to commercialize MCS 1238/1839 needs to take the screening mentioned by EPA into consideration. To meet this screening we need medical input. Medical evidence of acceptability will become more of a determining factor than customers' desire for product. Our customers want an on-the-shelf replacement but if they know the substitute needs EPA clearance they'll avoid committing on the new product till that clearance is obtained.

I also question (in view of the Post-Dispatch article) the wisdom of shipping PCB-contaminated MCS 1238 or 1839 to customers. Samples are going to be demanded and tested by EPA and others -- PCB contamination could black list the products before they get off the ground. (We could be in the Pydraul PCT mess all over again.) Admittedly,