MINUTES OF MEETING OF THE CORPORATE MANAGEMENT COMMITTEE

April 20, 1970

Present: Messrs.
E. J. Bock, Chairman
H. H. Bible
J. R. Eck
J. L. Gillis
E. J. Putzell
C. H. Sommer
M. C. Throdahl
J. N. Ehlers, Secretary

2. Organic Division - Report on PCB Status - Messrs. H. L. Minckler, J. Mason, C. J. Smith, W. B. Papageorge, H. S. Bergen, J. E. Springgate, R. E. Kelly, E. P. Wheeler.

Total Aroclor business represents $21M sales returning $10M gross profit on $13M gross investment.

- Sales of non-degradable Aroclor (1260, 1254 and possibly 1248 isotopes) account for $18M sales - $15M in functional fluids and $3M plasticizers.

- Aroclor 1221 is degradable and there is no evidence that solid Aroclors pose a threat to the environment.

Division has maintained an aggressive program of customer education, and cooperative efforts with research organizations, governmental agencies and wildfire groups to identify the scope of the problem, eliminate discharges, improve analytical methods and conduct toxicity studies.

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- Concerned agencies and groups are appreciative of our efforts.

- FDA indicated it was contemplating a residue level of 0.5 ppm in milk and 5.0 ppm in food.

Publicity about PCB's has been limited to a few articles in scientific publications and newspapers until Congressman Ryan's press conference implicating Monsanto and the products.

Program has been established to curtail discharges from our plants and levels have already been reduced significantly. We are targetted to reach 50 parts per billion by year end with an ultimate target of 10 parts per billion.

Sales are being terminated to a number of industrial users where there are inadequate possibilities of control, for such uses as pesticide extenders, medicinal, dental and cosmetic, and cutting oils. In addition, we are terminating all sales through distributors to ensure better control of end uses.

Action is already in hand to replace $5M of sales for Fluids applications and $3M of sales for Plasticizer applications by alternative products. Target for completion is end-1970.

- Substitute products are being developed to replace the non-degradable Aroclors.

Sales will be continued for transformers, capacitors and heat transfer uses which are closed systems or sealed units and which permit reclamation or other control of material.

- Transformers are dependent upon Aroclors for reliable operation and no substitute product is available.

Conclusions:

The Committee felt that while the division had taken major steps to resolve this problem, more affirmative action must be taken. A replacement product should be developed on a crash basis for the NCR application.

It was decided that the affirmative action being taken should be communicated to concerned governmental agencies together with the reasons for continuing sales to the limited uses which would involve major public hardships if immediately discontinued. Mr. Putzell was asked to discuss the legal implications of these actions with counsel for NCR and electric equipment manufacturers. Messrs. Eck, Putzell and Gillis are to recommend actions to demonstrate the affirmative program being taken. The division is to report its specific plans to the Committee by June 1.
(Excerpt to Messrs. Minckler, Smith, Kelly and Harris.)

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