

Your letter to Jerry Glover
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Sent: Tuesday, November 14, 2006 5:57 PM
To: Knott, Alex
Subject: Your letter to Jerry Glover

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Mr. Knott:

Jerry Glover received your undated letter on Nov. 7 and referred it to me for a response. We're still reviewing the list of sites you sent, and it is not likely that our review will be completed by the deadline of Nov. 17 you cited in your letter. There are quite a few on the list that we are unfamiliar with; there appear to be some that may have been assigned to other companies; and many of these locations have been involved in a series of corporate spin-offs, restructuring activities, business sales and acquisitions, and related activities.

To try to provide a backdrop, I need to explain at least some of the basics of this.

Monsanto Company was founded in 1901, and eventually became a large multi-business chemical company. In 1996 and 1997, Monsanto divided its businesses into two groups - the life sciences business and the chemicals business. The life sciences business included the agricultural division, the pharmaceutical division and the food ingredient division. The chemical business included much of the historic "heartland" of the company - nylon, industrial chemicals, plastics, rubber chemicals, detergent materials and similar products.

In 1997, the chemicals business was spun off as a separate company named Solutia Inc. Included in that spin-off were the environmental liabilities associated with those businesses, including a number of the sites on your list. As part of the spin-off agreement, Monsanto would assume responsibility for environmental liabilities if Solutia failed to perform them for some reason. The life sciences business continued to be operated under the name of Monsanto, and had responsibility for the environmental liabilities associated with those businesses (including a number of the sites on your list).

In 2000, Monsanto (life sciences business) merged with Pharmacia & Upjohn to form Pharmacia Corp. In 2002, what had been the agricultural division of Pharmacia Corp. (part of old Monsanto's life sciences businesses) was spun off as a separate company called Monsanto, or what we often refer to as "new Monsanto." As part of that spin-off agreement, new Monsanto assumed certain environmental liabilities related to agricultural operations, and it would also be responsible for Solutia's environmental liabilities if Solutia failed to perform them. Pharmacia retained responsibility for certain environmental liabilities related to its pharmaceutical businesses (and what had been the pharmaceutical businesses of old Monsanto). Some time later, Pharmacia was acquired by Pfizer Inc.

So, from the perspective of the sites on your list, some of those sites are associated with Solutia, some with new Monsanto and some with Pharmacia (now a unit of Pfizer). This is most likely why some of these locations are unfamiliar to our Monsanto people who manage the remediation of sites like these for new Monsanto or work with other companies.

To complicate this still further, Solutia filed for bankruptcy protection in late 2003, and new Monsanto has been managing the remediation of certain Solutia's sites on behalf of Pharmacia. It is not known when Solutia will emerge from bankruptcy or what its final plan of reorganization may look like and include. There is a plan which had been filed with the court, which would assign many of these liabilities to new Monsanto and share others between new Monsanto and Solutia, but it is not known when this plan or some variation of it may receive final approval.

An initial review of your list raised the likelihood that it might be based on old EPA data. We can't account for many of these sites in your list in the current EPA databases that are available through the EPA's web site. We are having a comparative review done of your list with the sites that are our responsibility and those Solutia sites we are currently managing on behalf of Pharmacia. I hope to have that review completed this week.

Additionally, the one fine you cite (\$1650) associated with Monsanto appears to be one from 1994 and associated with old Monsanto operations at Anniston, Alabama. That particular fine would be one you would need to discuss with Solutia Inc., since it was associated with facilities that Solutia still operates as an ongoing concern.

Finally, I am checking into the third area of your query, concerning the EPA employee who reportedly traveled at Monsanto expense to a conference in St. Louis. I hope to have an answer shortly.

Glynn Young

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