

FOOD, DRUG AND COSMETIC PACKAGING MATERIALS COMMITTEE is responsible for surveillance of technical and legal aspects of Food and Drug Administration regulations and related legislation affecting the plastics packaging industry. The Committee responds in writing or verbal testimony when such regulations might affect the industry. It continually works with FDA to establish criteria for continued safe use of food containers, films, and can liners.

At meetings of this Committee, members are apprised of significant developments in the area of FDA regulations, including the submission of SPI comments on proposed PVC regulations, Housewares Exemption, plastics bottles for carbonated beverages, and the ABS Prior Sanctions. A new International Committee to research and report on world-wide packaging regulations was established.

The Committee produced a "Freedom of Information Manual." The book is a guide and introduction to understanding the public information regulations of the FDA.

INTERNATIONAL COMMITTEE prepares testimony for U.S. Government committees and develops industry position statements. It sponsors educational conferences, seminars, workshops, and collects and distributes statistics on international plastics trade.

The Committee's Government-Liaison Subcommittee is providing guidance to member companies in cases of unfair competition under the Generalized System of Preferences, Dumping and Safeguards, by providing information concerning the proper steps to take. It also is working with the International Trade Commission on tariff nomenclature and harmonization of industry statistics. The Subcommittee has taken a position on the retention of the Domestic International Sales Corporation (DISC) and against the change of present regulations requiring tax only on remitted earnings on foreign operations.

The Program and Education Subcommittee is cooperating in the updating and expansion of a new publication, "International Plastics Resins Statistics." The Subcommittee is also issuing a newsletter to cover International Committee activities and plans to promote the International Committee to non-member companies involved in international trade.

The Trade Shows and Foreign Opportunities Subcommittee is assisting NPE with the International Visitors Center at NPE/76. They will also work with the Department of Commerce in providing assistance for export promotion, foreign trade shows and missions. In addition, a long-range calendar of overseas exhibits and trade shows as related to the plastics industry is being developed.

PLASTIC BEVERAGE CONTAINER GROUP operates in association with PAC. The group selects, prepares, and carries out programs of a technical, legal or public relations nature, supporting and preserving government approval and enhancing public acceptance of the use of barrier resins for carbonated beverage, beer and wine containers.

A program was adopted to support legal services for court challenges by independent adversary groups and unfavorable agency actions. A small portion will be devoted to developing and publishing positions papers for member use in countering unfavorable publicity.

PLASTIC JERRY CAN COMMITTEE publishes technical performance standards.

The Committee is promulgating an NBS standard through ASTM. Members of the Committee have cooperated by providing needed background information. The Committee is developing information on additional quality control test procedures.

PLASTICS WASTE MANAGEMENT COMMITTEE researches projects and promotes programs to aid municipalities in managing their solid waste problems — especially the recovery of plastics waste.

From June 1975 to January 1976 the Committee funded a research project at the National Center for Resource Recovery (NCRR). This project involved the study of material balances on plastics streams in NCRR's municipal solid waste processing test facility in Washington, DC. Samplings from this test site are now undergoing chemical and physical property analysis by some of our member companies.

The Committee is currently evaluating possible research projects including an update on energy recovery from MSW, separation of plastics MSW fraction into generic types, and markets for these products. The Committee is also planning to make an appraisal of the role of plastics in the concept of source reduction of solid waste.

SAFETY AND LOSS PREVENTION COMMITTEE develops fire testing programs for plastics warehouse storage; safety awards programs; publishes industry safety bulletins, industrial accident data; and provides guidelines on development of machinery safety.

The Committee is reviewing all phases of the warehousing of plastics program completed at Factory Mutual Research Corporation and is discussing the next category of materials that are traditionally stored in commercial warehouses, specifically those which have a longer life cycle than the first group. The Committee decided that three underwriter insurance carriers, Factory Mutual, Kemper Insurance and Industrial Risk Insurance should contribute to the cost of the fire tests, and commitment has been made by the three underwriters to support SPI's last series of tests.

Activities with the National Fire Protection Association included a presentation made by an SPI member at NFPA's annual meeting outlining the results of the Committee's fire tests, and as a result of the presentation, SPI has been invited to place a member of the Fire Test Committee on the NFPA rack storage committee.

Safety Awards, sponsored by the Committee, were given to 44 companies who had no loss work day accident cases and nine companies received awards for having an accident frequency rate of below one percent.

TRAFFIC COMMITTEE represents the industry before the Interstate Commerce Commission and other Governmental agencies concerning regulations or other matters affecting the plastics industry and further represents the industry before the rail and motor carrier tariff bureaus and before the Interstate Commerce Commission with respect to rule and rate changes.

In pursuing its primary function of protecting the industry from unreasonable and prejudicial rate increases, the Committee protested to the ICC the application to plastic resins of a seven

percent general rail freight increase published in early 1976. The increase, limited principally to resins moving within the East, has since been found to be unreasonable by the Interstate Commerce Commission and ordered cancelled. It is estimated that this decision will save the industry more than \$2.5 million annually. The cancellation of the increase on plastic materials was the only rate cancellation ordered by the ICC in its review of the rail carriers' general increase.

The Committee has been involved in four rule making proceedings before the Interstate Commerce Commission of significance to the industry. In one proceeding, the Committee successfully petitioned the ICC to establish a tariff publication rule to enforce the national classification as the maximum reasonable basis for common carrier rates and charges. Motor carriers have frequently acted, both individually and through their regional tariff bureaus, to publish higher ratings and rates prejudicial to producers of light density plastic products; and the rule adopted by the Commission is intended to preclude further similar tariff provisions.

In another proceeding, the ICC had adopted a rule pertaining to the extension of credit by motor carriers requiring carriers to assess a service charge of one percent, minimum \$10.00, for late payment of freight charges. The Committee petitioned the ICC to reconsider and rescind the rule change and has participated in an informal ICC conference concerning this proceeding. This proceeding is pending a decision. Additionally, the Committee is participating in proceedings at the ICC to develop rules to implement the Railroad Revitalization and Regulatory Reform Act of 1976 and another rule making pertaining to the adequacy of motor carrier service for small shipments.

The Committee has been involved in several motor carrier classification proceedings of substantial interest to the industry. A proposal entailing a restructuring of truckload charges and a proposed 20 percent penalty charge to be applied where the average weight per package in a shipment is less than five pounds have been defeated. Additionally, favorable disposition has been made of a proposal for substantial increases in the ratings pertaining to light density plastic products. A fourth motor carrier classification proceeding, involving a proposed revision to the description and ratings for plastic pipe in coils, is being contested by the Committee.

SPECIAL PURPOSE GROUPS

APPLIANCE COUNCIL monitors legislative and standards-making activities, conducts Appliance Awards competition, and serves as an information source for home economists and writers.

The 1975 Appliance Council Awards presentation was made in conjunction with the SPE NATEC Meeting. Attendance was excellent, and a great deal of favorable publicity resulted.

In the past year the Appliance Council responded to numerous queries regarding the use of plastics-in-appliances and provided the basis for articles beneficial to the plastics appliance industry.

HOUSEWARES MANUFACTURERS GROUP serves as spokesman for the plastics housewares industry. It monitors regulatory activities and is represented at hearings and standards-making bodies to offer input and obtain information.

The Group was represented at National Fire Protection Association and American National Standards Institute meetings on proposed standards (NFPA 303A, 56J; ANSI Z61.1), and



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worked with agencies in Colorado and Oregon to promote favorable regulations regarding plastic trash cans.

PLASTIC DRUM INSTITUTE develops specifications on various types of plastic industrial containers and drums. The Institute maintains liaison with Federal and state agencies controlling transport of liquids and solids in the U.S.

At the Semi-annual Meeting of the Institute, reports were presented by liaison committees dealing with the Department of Transportation, Office of Hazardous Materials, the General Services Administration, National Motor Freight Committee, Petroleum Packaging Committee of API, Uniform Freight Classification Committee, Bureau of Explosives and the Manufacturing Chemists Association. Continuing liaison with these agencies and associations is of great importance to the Institute's members.

At the Winter Meeting, recommendations and proposed requirements were discussed for all types of containers which are a result of the Federal Transportation Safety Act of 1974. The Institute's Annual Meeting concentrated on consideration of proposed standards on closures. The Group is also endeavoring to get a tariff classification for all plastic fifty-five gallon drums by presenting their recommendations at a hearing of the National Motor Freight Classification Committee.

PLASTICS FOR TOOLING—SPECIAL PURPOSE GROUP. The major activity is sponsorship of the "Plastics for Tooling Conference" held annually at Purdue University.

The 17th Annual Conference at Purdue University took a complete turn to a general plastics engineering program. This differed from previous concentration on tooling.

PLASTICS IN CONSTRUCTION COUNCIL aids in expanding and maintaining the market for plastics building products by initiating changes in building codes, standards and test methods. It develops informative publications and maintains a Speakers Bureau. Committees presently active are: Light-Transmitting, Interior Finish, Insulation, Plumbing Fixtures, and Trim.

The Council continues to be active through its several standing committees.

The Model Building Code Chapter on Light-Transmitting Plastics was adopted by the Southern Building Code Congress International in the form presented by SPI and is included in the 1976 edition of the Standard Building Code. The same text was later accepted by the Building Officials and Code Administration International. Finally, the SPI recommendation has also been submitted to the International Conference of Building Officials for consideration as a major amendment to the Uniform Building Code.

The Interior Finish and Trim Committee has been active in monitoring the safe passage of a number of code changes effecting performance criteria for wall coverings and extrusions used as moldings and trim.

NATIONAL PLASTICS EXPOSITION AND CONFERENCE. This Committee conducts one of the largest industrial expositions in the U.S. and it is the plastics industry's principal showcase, featuring raw materials suppliers, tool, die and mold-makers, molders, reinforced plastic processors, film and sheeting processors, machinery manufacturers, equipment suppliers, research, development and testing laboratories, and others. The show is held every three years. A National Plastics Conference,



featuring experts on many phases of the industry and its markets, is conducted concurrently.

The drawing for exhibit space was held last year and a record 298 companies committed themselves to 251,000 square feet of exhibit space. By the end of May, the number of exhibitors had increased to 378 firms representing 269,500 square feet of space sold which ensures that the 1976 NPE will be the biggest ever.

A dominant location for the SPI booth has been selected: The SPI booth will emphasize the many services it performs and it will be used to attract non-members.

The objectives of the public relations and advertising campaign have been to obtain a high number of pre-registrations for the show and conference, and to identify and communicate with vertical end-user markets served by the plastics industry. This includes a massive circulation of pre-registration cards, a direct mail program aimed at vertical, end-user markets, a multilingual brochure being distributed overseas, and a number of press releases in the process of being distributed will be continued until show time.

The Conference program has been finalized and an outstanding timely program is planned, supported by excellent speakers. A special Friday morning educational presentation for college level students will be conducted on the last day of the show. Attendance will be by invitation only.

In the past, separate registration fees were charged for the exhibition and conference. This year there is one fee, \$7.50 for advance registration and \$10 on site. This single fee entitles you to attend all conference sessions as well as the exhibition. In addition, the fee provides for unlimited shuttle bus service between the hotels and McCormick Place.

POLYSTYRENE SAFETY GROUP *conducts tests on the fire behavior of end-use polystyrene products, studies environmental and toxicity health issues and is concerned with the development of safe-use guidelines.*

Originally organized as an ad hoc committee of the SPI Furniture Division, the Polystyrene Safety Group now functions as a self-funded unit under the aegis of the Public Affairs Committee.

Since the Group was formally constituted it has expanded to nine member companies and other eligible polystyrene producers have been contacted. Combustibility, EPA, FDA, and OSHA committees have been established.

While operating as an ad hoc committee, the polystyrene producers completed a preliminary series of large-scale burn tests at Southwest Research Institute. A second, more intensive combustibility research program has been initiated with Southwest Research Institute. The project, which will be controlled by the Polystyrene Safety Group, will involve investigation of end-use polystyrene articles.

The Group has also approved the concept of a program to be conducted at the University of Houston to investigate the monomer level in injection molding and extrusion operations.

Also to be explored are the monomer and oligomer content in fabricated polystyrene articles, and environmental problems concerning polystyrene.

URETHANE SAFETY GROUP *conducts research and testing programs on the safe uses of polyurethanes, and communicates such information to legislators and regulators, the fire community, and polyurethane users.*

In the past year, dozens of presentations on the subject of safety in application and installation of urethane foam insulation have been made by members of the group to audiences in the

continental USA, Alaska and Europe.

The general slide presentation on urethane foam as insulation, has been revised, making it more effective. A new slide presentation especially directed at the interests of the fire community has been prepared.

A bulletin on spray-on thermal barrier coatings for use over interior installations of rigid polyurethane foam insulation was prepared and is being distributed. Fire safety guidelines covering the storage and handling of flexible polyurethane foam for seating and bedding will be distributed in the course of 1976-77. An article for 250 trade journals was prepared and issued, giving safety guidelines for those using torches in the vicinity of polyurethane foam insulation in new construction or renovation work.

A report was prepared at the request of the Federal Trade Commission, explaining the meaning, derivation and the use of "K" Factor information as an attribute of urethane foam insulation.

Interviews with trade press editors have resulted in excellent editorial materials on urethane foams and the activities of the USG appearing in editions of Roofing/Siding/Insulation and Progressive Architecture magazines. The Group is now distributing a Stanford Research Institute summarization of the Southwest Research Institute and Rubber and Plastics Research Association Fire Tests results on flexible urethane foam.

A report on a mini-corner fire test method will soon be available and the corner wall combustibility programs continues at Factory Mutual Research Corporation. Other testing on combustibility and toxicity is being carried out by the FTC-Products Research Committee at the suggestion of the Urethane Safety Group.

The Technical Committee of the group has been investigating penal institution fires involving polyurethane foam mattresses and consulting in depth with fire marshals and correctional officers.

VCM AND PVC PRODUCERS GROUP *provides the industry an interface with the various government agencies developing standards and regulations on vinyl chloride monomer and polyvinyl chloride plastics. Organized in the Spring of 1974, the self-funded Group's initial activities were directed at the technical and legal considerations relating to the OSHA Standard on vinyl chloride that became partially effective April 1, 1975.*

SPI's comments on FDA's September 3rd proposed rule-making on vinyl chloride polymers were submitted to FDA in a report on December 19, 1975. The comments stated the industry's position, that presently available grades of PVC contained such low levels of vinyl chloride that it is not possible to detect vinyl chloride in PVC packages by extraction with food-simulating solvents using FDA laboratory testing procedures. FDA had not issued a final regulation on PVC for food packaging at the time of this report's publication.

The industry is also awaiting the proposed EPA standard which was published on December 24, 1975, and classified vinyl chloride as a hazardous pollutant. EPA is yet to issue a final standard.

The group has approved an action program designed to present the positive facts on VCM and PVC to selected media, environmental organizations and the general public. Members of the group have visited six major cities and met with the news media to correct misconceptions and counter misinformation concerning the vinyl chloride/polyvinyl chloride situation.

The plastics industry is continuing to operate under the full OSHA standard of April 1, 1976, with many innovations and controls that provide the industry with a safe work environment.

BALANCE SHEETS

May 31, 1976 and 1975

ASSETS

	1976	1975
Cash in checking account and on hand.....	\$ 2,600	\$ 220,529
Time savings deposits	302,503	—
Short-term investments, at cost (which approximates market)	2,550,000	1,805,357
Receivables:		
Membership dues, less allowance for doubtful accounts,		
1976, \$15,000; 1975, \$30,000.....	147	4,493
Other	39,285	120,968
Prepaid expenses and other assets	11,523	5,901
Deferred charges—1976 National Plastics Exposition	358,838	132,200
Fixed assets:		
Furniture and equipment.....	241,309	165,316
Leasehold improvements	72,440	31,749
	313,749	197,065
Less accumulated depreciation and amortization.....	116,478	91,894
	197,271	105,171
Total assets	<u>\$3,462,167</u>	<u>\$2,394,619</u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Cash overdraft	\$ 49,323	\$ —
Accounts payable and accrued expenses	439,937	437,224
Unearned membership dues	12,182	65,618
Deferred revenue—1976 National Plastics Exposition	613,956	—
Deferred revenue—other.....	7,852	—
Total liabilities.....	<u>1,123,250</u>	<u>502,842</u>
Fund balances:		
General fund:		
Unappropriated	123,355	362,360
Appropriated (note 6)	1,530,687	1,209,147
	1,654,042	1,571,507
Special projects funds.....	684,875	320,270
Total fund balances	<u>2,338,917</u>	<u>1,891,777</u>
Total liabilities and fund balances.....	<u>\$3,462,167</u>	<u>\$2,394,619</u>

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN GENERAL FUND BALANCES

Years ended May 31, 1976 and 1975

	1976		1975
	Unappro- priated	Appro- priated	Total
Revenues—operating:			
Membership dues	\$3,486,148	\$ —	\$3,486,148
Interest	176,555	—	176,555
Sales of literature	42,302	—	42,302
Special projects	2,278,066	—	2,278,066
Other	1,984	400	2,384
	<u>5,985,035</u>	<u>400</u>	<u>5,985,435</u>
Expenses—operating:			
Direct:			
Membership Services:			
Legal and consulting	440,431	41,123	481,554
Communications (public relations)	83,624	—	83,624
Research and development	—	—	—
Administrative	72,415	—	72,415
Membership promotion	25,756	—	25,756
Directory	8,897	—	8,897
Special projects—research, development, legislative, public relations	2,278,066	—	2,278,066
Service operating units	124,607	—	124,607
Divisions and groups	84,647	—	84,647
Regional offices	116,834	—	116,834
Public affairs committee	1,232,434	—	1,232,434
Chemical Industry Trade Advisor	2,000	—	2,000
Plastics Education Foundation	11,250	—	11,250
Indirect program, administrative and general:			
Salaries and employee benefits	1,059,272	—	1,059,272
Office supplies and expenses	213,990	—	213,990
Rent expense	97,121	—	97,121
Auditing and computer services	49,701	—	49,701
Provision for depreciation and amortization	24,584	—	24,584
Provision for doubtful accounts	4,477	—	4,477
Relocation expenses	—	—	—
Other	26,574	97	26,671
	<u>5,936,880</u>	<u>41,220</u>	<u>5,977,900</u>
Less allocation of administrative expenses to National Plastics Expositions	75,000	—	75,000
	<u>5,861,880</u>	<u>41,220</u>	<u>5,902,900</u>
Excess (deficiency) of revenues over expenses from operations ...	123,355	(40,820)	82,535
Fund balances at beginning of year	362,360	1,209,147	1,571,507
Appropriations	(362,360)	362,360	—
Fund balances at end of year	\$ 123,355	\$1,530,687	\$1,654,042
			<u>\$1,571,507</u>

See accompanying notes to financial statements.

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STATEMENTS OF CHANGES IN SPECIAL PROJECTS FUNDS

Years ended May 31, 1976 and 1975

	1976	1975
Balance at beginning of year	\$ 320,270	\$ 201,041
Additions:		
Assessments	2,147,436	1,891,601
Meetings and conferences	399,111	298,186
Sales of literature	45,827	42,572
Contributions for support of special programs	45,900	55,325
Other	4,397	—
	<u>2,642,671</u>	<u>2,287,684</u>
Deduction transferred to general fund revenues and expended	<u>2,278,066</u>	<u>2,168,455</u>
Balance at end of year	<u>\$ 684,875</u>	<u>\$ 320,270</u>

See accompanying notes to financial statements.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
345 PARK AVENUE
NEW YORK, NEW YORK 10022

The Board of Directors
The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1976 and 1975, and the related statements of revenues, expenses and changes in general fund balances and changes in special projects funds for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1976 and 1975, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 16, 1976

Peat, Marwick, Mitchell & Co.

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NOTES TO FINANCIAL STATEMENTS

May 31, 1976 and 1975

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Certain 1975 amounts have been reclassified to conform to the current year's presentation.

Other significant accounting policies are set forth in the financial statements and the following notes.

2. Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1976 and 1975 aggregated \$96,400 and \$96,350, respectively, including amortization of past service costs. At May 31, 1976 and 1975, the assets of the fund exceeded the value of the participants' vested benefits.

3. Products Research Committee Funds

Effective December 3, 1974, the Society executed with the Federal Trade Commission a consent order which, among other things, required the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The research is to be funded over a five-year period by various other respondents to the FTC proceeding. The Society is custodian of the Committee's funds and, at May 31, 1976, held \$1,247,249 (\$998,068 in 1975) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

4. Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgments for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

5. Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1977	\$130,987
1978	129,701
1979	124,371
1980	121,442
1981	109,961

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$107,500 per year. The lease expires in 1985; however, the Society has the option to terminate such lease as of April 30, 1980 upon payment of an additional option fee of \$140,000.

Certain leases are subject to escalation provisions based on real estate taxes.

6. Appropriated General Fund Balances

Appropriated general fund balances consist of the following:

Purpose	1976	1975
Directors' special reserve:		
Public Affairs Committee	\$ 78,500	\$ —
Capital improvements	13,687	—
Other	1,438,500	311,261
National Plastics Exposition	—	792,107
Public Affairs Committee	—	105,779
	<u>\$1,530,687</u>	<u>\$1,209,147</u>

1976-1977 OFFICERS AND DIRECTORS



Stanford H. Shaw



Iver J. Freeman



LaVern A. Niedfeldt



Fred C. Sutor, Jr.



C. Rex Scott

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Berkeley Heights, New Jersey

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Package Machinery Co.
East Longmeadow, Massachusetts

Secretary
LAVERN A. NIEDFELDT
Technical Plastics Corp.
Santa Cruz, California

Treasurer
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USS Chemicals
Pittsburgh, Pennsylvania

Immediate Past Chairman
C. REX SCOTT
Phillips Chemical Co.
Pasadena, Texas

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Allastics
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Dow Chemical U.S.A.
Wellesley, Massachusetts

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Custom Sheet Extruders Division
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Mobil Chemical Co.
Macedon, New York

Furniture Division
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Styrex Industries
High Point, North Carolina

Machinery Division
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Moldmakers Division
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Molders Management Division
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Organic Peroxide Producers
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Consupak, Inc.
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Plastic Pipe Institute
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Mastic Corp.
South Bend, Indiana

*Thermosetting Resin
Formulators Division*
LLOYD A. DIXON
Dexter Corp.
Industry, California

Vinyl Dispersions Division
FRANK JONES
Michigan Chrome & Chemical Co.
Detroit, Michigan

DIRECTORS AT LARGE

June 1, 1974 to May 31, 1977

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Midland, Michigan

IVAR L. LUNDGAARD
E. I. du Pont de Nemours & Co., Inc.
Wilmington, Delaware

ROBERT S. MORRISON
Molded Fiber Glass Companies
Ashtabula, Ohio

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Houston, Texas

CLYDE RUSHING
Peco Manufacturing Co.
Portland, Oregon

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Milwaukee, Wisconsin

June 1, 1975 to May 31, 1978

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Winfield, Kansas

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JEAN F. MALONE
B. F. Goodrich Chemical Co.
Cleveland, Ohio

EDWARD G. SLATCHER
Container Corporation of America
Wilmington, Delaware

June 1, 1976 to May 31, 1979

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Gardena, California

WALTER BUSSART
Eastman Chemical Products, Inc.
Kingsport, Tennessee

F. REED ESTABROOK, JR.
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JACK G. FULLER, JR.
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GEORGE KAULL
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Thermoplastic Exterior Building
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JEROME P. CARROLL
Director of Safety
Coordinating Committee on
Consumer Safety
Organic Peroxide Producers
Safety Division
Safety & Loss Prevention Committee
(PAC)
Film Wrapped Palletized Products
Committee
Radio Frequency Heating Committee
PVC Meat Wrap ad-hoc Committee
Thermosetting Resin Formulators
Division
Vinyl Dispersions Division

ARTHUR B. CHIVVIS
Executive Director
Urethane Safety Group

WILLIAM A. DIRZULAITIS
Director of Administrative Services
National Plastics Exposition

RAYMOND DURAZO
Executive Director
Plastics Pipe Institute

Carl Marbery
Administrative Manager

A. B. Hunter
Southern Field Representative

Stan Mruk
Assistant Technical Director

Frank Reinhart
Technical Director

Anthony L. Scarano
Midwest Field Representative

ALBERT J. EVANS
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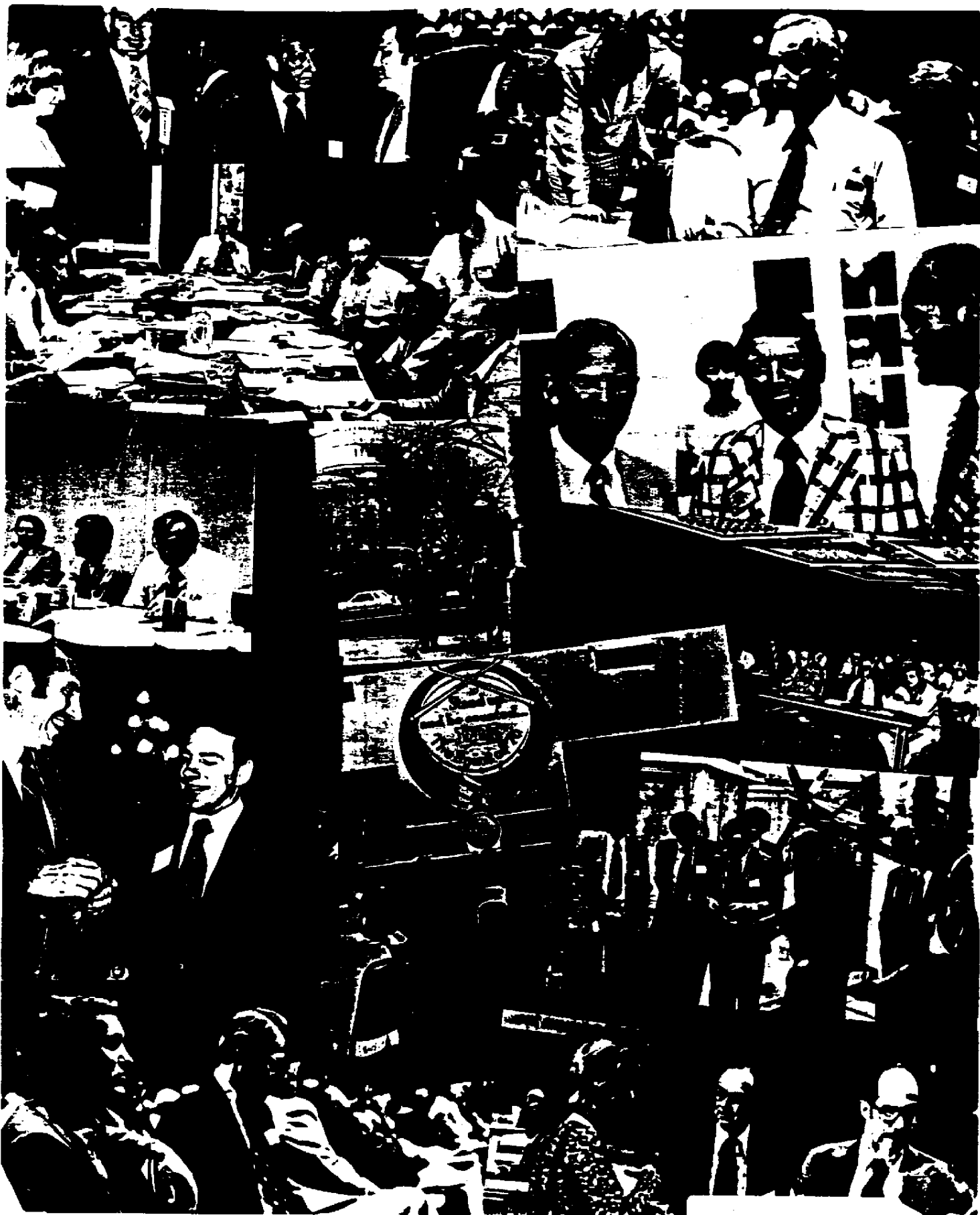
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ANNUAL REPORT

1977

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

SPI-22146

The Cover

The photograph on the cover (courtesy of Wide-World Photos), taken at the Mount Wilson and Palomar Observatories, is of a diffuse Nebula in the constellation Cassiopeia—representing mankind's future. Plastics has a great part in that future, and SPI recognizes that fact.

This 1977 Annual Report will in part deal with some of the goals, issues, and problems in SPI's future and therefore in yours. In these pages you will read about the founding of SPI 40 years ago, the highlights of the past year, including NPE-76, and reports from the divisions and sections discussing future goals and issues, as well as accomplishments for 1977.

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Officers 1977



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Shaw Plastics Corp.
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Vice Chairman
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East Longmeadow, Massachusetts



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Technical Plastics Corp.
Santa Cruz, California



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Immediate Past Chairman
C. REX SCOTT
Phillips Chemicals Co.
Houston, Texas

Chairman's Letter

Rather than attempt to summarize events and achievements, I want to devote these two pages to some plain talk about present and future needs of this industry and of its Society. My qualifications as a "plain talker"? My experience now covers 31 years in plastics, and my father was one of SPI's charter members forty years ago. For ten years I have served in various capacities on your Board of Directors, and during the past year I have been privileged to be your Chairman.

As an independent custom molder, I have also had a unique opportunity to participate in and benefit from the phenomenal growth of our industry. By all rights, I ought to be quite satisfied, but I'm not. I see too many misunderstandings and missed opportunities and too much misguided complacency.

As an industry, we have not yet proven our ability to deal with our problems. We have not demonstrated our capacity for future growth. Do we really deserve the kind of growth opportunities predicted for us?

For example, among my fellow processors, there are still far too many otherwise astute businessmen who do not fully understand the value, indeed the necessity, of an industry that is united and aggressive in preserving and promoting its interests. The processors who belong to SPI clearly represent the "cream" of the industry, in terms of total employees, total volume, and especially responsible leadership. They participate in SPI's programs, take advantage of SPI's services, support its legislative activities — and benefit from belonging.

But what of those processors, custom, proprietary, and captive, who choose to stand aloof? It's not so much a matter of free-loading as of missed opportunities.

We continue to hear misguided criticisms that SPI is too big or is dominated by resin suppliers. In these days of big government and big labor, pressure groups, and criticisms of industry, we need every bit of collective clout we can muster. Further, because SPI is a federation, each special interest group within our industry can pursue its own interests.

As for resin supplier domination, let me remind you that the materials companies represent just about half of SPI's dues income. A majority of our membership and of our Board of Directors are processors.

Speaking as a processor, I wish that our big company suppliers would take more active roles on behalf of plastics — indeed on behalf of the chemical industry. From my vantage point, I see an industry that until now has been relatively sheltered from criticism and excessive regulation and appears to be unequipped to cope with current and future pressures. The whole stream of chemicals and all of its tributaries need, but do not have, a forceful, united, and effective voice to cope with its energy and feedstock uncertainty, its regulatory challenges, and its bad public image.

Because they cannot function effectively as part of the chemical industry, our resin suppliers have been

forced to look to the Society for more and more of their concerns, often funding their solutions through additional self-assessments over and above their dues. We processors can only encourage such activities, in the interest of continuing availability of materials.

Still, I must point out that the resin suppliers' participation in SPI varies widely from company to company, even among some of the largest dues-payers. This is a two-way missed opportunity. The industry misses the valuable personal input, leadership, and support, while the individual and his company are not taking full and proper advantage of SPI's programs and services.

Meanwhile, I cannot say enough about the support of our members who are the machinery builders and mold suppliers for this industry. Each group has its own specialized programs, but both provide strong support to many regional and divisional activities of the Society. The leadership provided by these suppliers makes possible our highly successful National Plastics Exposition.

Despite the divergent interests and involvements of our various members, there clearly is a need for a strong association to represent the plastics industry. If there were no SPI today, we'd have to form an industry-wide organization as quickly as possible to deal with our many problems. Product liability is not just a machinery problem. Toxicity concerns are not the exclusive worry of resin suppliers. And processors have every bit as large a stake as the chemical companies in ample feedstock supplies.

Now, if SPI were being launched today, we might not have as many individual operating units and activities. However, we view this diversity as a strength rather than a liability. Through the 22 Directors representing the various divisions and sections and the 18 Directors elected at large, the Society's Board is truly a representative body. In confronting the issues, we often begin our discussions with wide differences of opinion. Through the Board's committee discussions we are able to reconcile those differences and to develop sound industry-wide policies and programs.

Thus, in addition to being a necessity, SPI functions effectively. As described elsewhere in this Annual Report, whatever and wherever the challenge or the opportunity may be, representatives of SPI will be on hand to protect and promote the best interests of plastics.

This past year has been highly successful for your Society by every measure save one. Our public affairs program has coped with the issues, our on-going programs have expanded, and our National Plastics Exposition last December was an outstanding demonstration of the industry's confidence in its future.

Finances represent the one area of present and future concern. Thanks to the sound management of previous administrations, we began the past year with more than adequate reserves. Recognizing that 1976-1977 dues and other income would be insufficient, we bud-



geted for deficit operations. At year's end, our total operating income was \$6,021,821, with expenses of \$6,211,689 and a resultant deficit of \$189,868 plus \$11,405 on special product liability activities. Thanks to the net income of \$575,596 from the 1976 National Plastics Exposition, our reserves rose by \$374,323.

The key point is that SPI is currently living beyond its means, depending on surplus and on NPE to fill the gap. Your Board has projected another deficit budget for 1977-1978, this time without the NPE cushion. Your Directors have resolved that the 42¢ dues rate will continue in 1977-78, but they recognize that a day of reckoning is approaching.

While reserves continue to be adequate, we are determined to bring SPI's operations back into balance just as soon as possible. We intend to be more aggressive in recruiting new members, especially among captive processors. We may well have to cut back on certain activities now covered by our budget. Consideration is also being given to raising the dues levels for those companies now paying at the maximum bracket levels. The ultimate solutions are likely to be a combination of all three courses of action.

SPI's members are indeed fortunate to be represented by outstanding Directors, who take their responsibilities seriously. Each year, inevitably, the turnover causes us to lose key, involved, experienced men; but each year they are replaced by men who are equally concerned and qualified. On your behalf I want to thank everyone who has served and congratulate all of our new Directors.

Each year also brings greater maturity and expertise to the Society's staff, who do far more than arrange meetings and write minutes. More and more, your staff is called upon to represent you in a great variety of situations and on every issue. Steps were taken this past year to strengthen the staff in several positions and more changes are contemplated. The seemingly permanent nature of the problems makes it more appropriate

to add to our internal capabilities, rather than relying so heavily on outside supporting organizations.

A year ago, when I took office I called your attention to some five year objectives adopted by your Board. While I can report progress, I am not yet satisfied that we will accomplish each of them in the next four years. They bear repeating here:

1. Expand membership to 2,000 companies via special membership campaigns and via the establishment of at least one more geographical section served by a new regional manager.
2. Through effective programs, upgrade the reputation of this industry and its products, as measured by periodic opinion surveys.
3. Make substantial and widely-recognized technical contributions towards the solutions of national problems involving ecology, fire technology, toxicology, consumer safety, and other areas of vital importance to plastics sales opportunities.
4. Participate actively in support of industry and Government programs to solve our nation's energy problems, thereby assuring the availability of the feedstocks needed for future plastics' growth.
5. Through active representation to Congress and administration leaders, help establish a practical doctrine of "acceptable risk" in all national policy matters involving all industry, whereby Government officials recognize their responsibility to "balance the interests" on behalf of the general public, workers, and industry.
6. Maintain the Society's operations at the levels our industry is willing to support.

Now, if all of us who earn our living in plastics really care about our own future and pitch in, then we can achieve these six goals — and more.

How much do we care?

STANFORD H. SHAW
Chairman

Highlights

The past year has produced numerous high spots for SPI. The National Plastics Exhibition and the Annual Meeting are covered elsewhere, and the Report of the Public Affairs Committee follows on page 6, with more extensive PAC news. Covered on these pages are major activities of SPI and sectional and divisional news, as well as literature published in the past year.

The Board of Directors of SPI voted a new Fire Safety Policy calling for active support of programs to reduce fire losses including the approval of reasonable and justifiable classification and regulation of plastic products in proper end uses.

Seven new industry notables were added to the Plastics Hall of Fame. They are John M. Debell, John Delmonte, Daniel W. Fox, William C. Goggin, Herman F. Mark, Arnold E. Pitcher, and Earl S. Tupper. Their induction during NPE 76 brought the membership in the Hall of Fame to 35.

A great many successful meetings were held. Among them: the SPI Western Section Conference drew national media with the appearance of David Frost within 36-hours of his first Nixon interview; the New England Sections 32nd Annual Conference took on a Meet the Press format with the presence of the major plastics trade press editors. The Eighth Annual SPI Midwest Conference featured speakers who dealt with a wide range of topics directly relating to business operations, including marketing tips, patent infringement, and cash efficiency tips.

Division Highlights

Continual expansion and reorganization of existing groups within SPI are part of the process of dealing with the growth of SPI membership and new industry concerns. In the past year, these new groups included:

The Polystyrene Safety Group, established to recommend safe practices for the use and handling of polystyrene products.

The Committee on Third Party liability, formed by the Machinery Division, to determine the necessary actions to be taken to reduce the number of such suits faced by plastics processing machinery manufacturers.

Molders and Moldmakers formed a New York Chapter due to increased area interest and participation.

The Urethane Safety Group has merged with the Cellular Plastics Division to form the Urethane Division.

In the Molders Division, the Plastics Cutlery Group has been formed.

Increased growth and the desire for area meetings has led to the formation of the Southwest Chapter of SPI for the Texas area.

More U.S. demand for plastics windows has prompted the Profile Extruders Division to form a Plastic Windows and Sliding Doors Committee.

The Reinforced Plastics Composites Institute has established a Sheet Molding Committee.

SPI's Plastics Pipe Institute has completely reorganized in order to make it more flexible in concentrating on specific markets, in forming new units, and in raising funds for specific goals.

PAC Highlights

"The Fire Fighter and Plastics in a Changing Environment," produced with a grant from the Public Affairs Committee (PAC) of SPI by the National Fire Protection Association, is an unlikely candidate for a sell out. However, this tape and cassette presentation sold out in its first issue of 1,000 and 1,500 more had to be ordered. The life-preserving possibilities of the program make it a must for fire fighters and rescue squads.

Further fire safety research continues with 14 of a total of 18 tests completed on polystyrene and polyethylene, especially on the short life-cycle applications.

The 6th Annual Combustibility Symposium featured John Byington of the U.S. Consumer Product Safety Commission. The main topic of the Symposium was combustibility hazard assessment and codes and regulations for uses of plastics and synthetics. The Symposium was open to representatives of other industries and government.

The Toxicology Committee, a subcommittee of PAC, held a Toxicology Conference, in Washington, DC. It was part of an effort to coordinate research efforts on toxicology by member companies.

Continuing concern over energy conservation has prompted a major survey of energy use in processing operations. The survey resulted in a wide data base on energy consumption by major plastics processors and 61 energy-saving ideas being used by one or more processors. At the end of the year a follow-up energy audit was sent out for completion.

In an effort to broaden its scope, SPI's Plastics Waste Management Committee has become the Plastics Resource Recovery and Conservation Committee.

Staff Changes and Publications

SPI has had some staff changes in the last year: G.C. "Polly" Barnes was named SPI's Public Relations Manager; Pat Toner was named SPI's Assistant Technical Director; and the position of Membership Director was created and John Weigly was named to fill the spot.

New Publications: The Public Affairs Committee has come up with an interesting booklet on "Answers to Questions Most Frequently Asked About Plastics." The 4th Revised edition of SPI Plastics Engineering Hand-

book has been published by Van Nostrand Reinhold Co. The 1976 edition of the SPI Directory and Buyers Guide and Facts and Figures of the Plastics Industry are available. The PPI has brought out its Plastic Piping Manual and the PPI member Company Product Directory. SPI Reinforced Plastics Composites Institute has made available the Proceedings of its 32nd Conference and the

RPIC Exhibited Products Guide. The Statistical Department's Financial and Operating Ratios Survey No. 15, 1976 is ready, and the availability of the SPI Financial Management Manual for Plastic's Processors, edited by Ernst & Ernst has been announced. Also from the Statistical Department are the Annual Labor Survey—1976 and the Salary Survey No. 10, 1976.

Annual Meeting

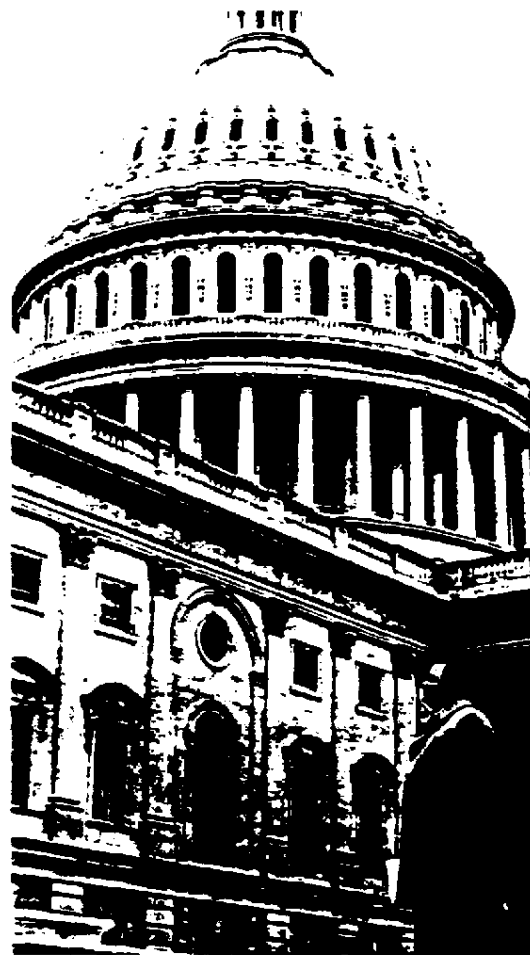
The Eighth Annual Meeting of SPI was held once again in Washington, D.C., at the Mayflower Hotel during March 21-23, 1977. An impressive array of speakers, including U.S. Representatives and Senators, representatives of the media, and administrative leaders, covered a wide range of timely and relevant topics such as energy and product liability. Members had the opportunity to exchange ideas and views of the plastics industry among themselves and between legislators and industry leaders.

The Society's Voting Representatives re-elected Stanford H. Shaw for another one-year term as Chairman of the SPI Board of Directors. The following officers were also re-elected:

Iver J. Freeman as Vice Chairman, LaVerne A. Niefeldt as Secretary, and Fred C. Sutro, Jr. as Treasurer.

In addition, six new Directors-at-Large were named: Ripley W. Gage, Richard W. Goodrum, Ivar A. Lundgaard, Kenneth F. Schoen, L. William Sessions, and R. Peter Toohy. Each Director will serve a three-year term, beginning on June 1, 1977.

The highlight of this two-day event was the "Visit Your Congressman" project where each attendee was urged to visit his Representative and Senator on Capitol Hill. SPI was the vehicle through which each member had the opportunity to present his points of view, his



problems, and his ideas to his legislator, both as an industry representative and as an individual constituent.

The Congressional Reception afterward was an equal success. Many Congressmen attended the Reception, including such notables as Senator Edward Kennedy, Rep. "Tip" O'Neil and Rep. "Father" Drinan.

SPI 1937-1977

Nylon hadn't been invented yet, but a number of plastics such as phenolics, polyvinyl chloride, and cellulose acetate, had become common and popular materials. The industry was relatively young and very individualistic, but plastics were about to come of age.

In May of 1937, a group of businessmen—resin



suppliers and processors—in the youthful and hearty plastics industry got together in Shawnee-on-Delaware to form a society. The original idea was that they should just sit down and talk and socialize—get to know one another—and maybe discuss some mutual problems.

Within a year, this group had become more organized and was putting on educational programs for the membership. They had even begun to think about what the Society of the Plastics Industry, Inc. might be doing for the industry as a whole. It was decided that they should choose a few projects and do them well. It was difficult to choose only one direction because the industry was growing rapidly and no one could predict its course.

Very shortly outside forces would provide the impetus for the activities of SPI. World War II and the introduction of new types of plastics were the forces that began the headlong rush in the plastics industry that has brought SPI to its present level and type of activities.

NPE/76

Despite winter storm conditions and freezing temperatures, the 1976 National Plastics Exposition was not only the biggest but the best ever.

Almost 40,000 visitors braved the December cold to see the 291,000 square feet of exhibit space and 469 exhibitors. More foreign countries were represented than ever before—3,200 overseas visitors came from as far away as Turkey, Morocco, Nigeria, New Zealand, and Singapore.

According to an NPE/76 exhibitor survey, the Show had the greatest audience impact ever. A small sampling indicates that selected exhibitors believe about \$2 billion in NPE/76 aftermath sales are attributable in large part to the Show's educational value. Eight to nine times this amount looks like a reasonable overall projection. They also felt there was a higher proportion of decision makers present than ever before.



For the first time the NPE Conference was under the management of NPE as a subcommittee. The conference of NPE/76, due to the outstanding quality of subject matter and speakers, played to standing-room-only crowds, and some of the programs had to be repeated because attendance exceeded fire safety standards.

Altogether, NPE/76 was the best ever.

SPI Public Affairs Committee

In fiscal 1976-77, the Public Affairs Committee (PAC) under the Chairmanship of F. Reed Estabrook, Jr., continued as the industry's front line defense against public issue attacks on it, worked to develop the technical data necessary to confront public issues, and worked toward improving the recognition by key publics of the essentiality of plastics to our economy and to our society. It was a particularly active year, with the number and intensity of the public issue problems we face at an all-time high.

Legislative / Regulatory Activities

In the 1976-77 fiscal year SPI/PAC's early warning system provided fast, accurate information concerning proposed legislation and regulatory measures of interest to the industry in Washington, D.C., and the 50 states.

By analyzing political intelligence quickly and, thereafter, taking timely and appropriate action, SPI/PAC helped to sidetrack or defeat restrictive legislation that could have caused the industry to lose millions of dollars in potential production and sales.

SPI/PAC Legislative Bulletins reported throughout the fiscal year on more than 800 bills that were screened from upward of 140,000 introduced in state legislatures. With the exception of two bills—one in Hawaii and the second in Minnesota—no legislation extremely damaging to the industry generally was enacted into law.

In Hawaii, a litter bill containing a provision to ban the sale of beverages in plastic containers died in the 1977 regular legislative session. However, it was reintroduced in special session and quickly enacted, although no public hearings were held. SPI/PAC has initiated a special legislative program to have the ban removed from an otherwise good law before it becomes effective January 1, 1979.

PAC Technical Activities

The technical activities of the Public Affairs Committee are coordinated and supervised by Mr. Peter Toohy, Chairman of the PAC Technical Committee and SPI Technical Director, John R. Lawrence. Working through the PAC's Issue Coordinators on Combustibility, Resource Recovery, Toxicity, Energy and Feed Stocks, and Product Liability, liaison is provided to all SPI programs in these areas.

Specific research projects relating to the combustion of plastics, resource recovery and conservation, safety and loss prevention, and toxicity are developed and monitored respectively by the Coordinating Committee on Consumer Safety (CCCS), the Plastics Resource Recovery and Conservation Committee (PRR&CC), the Safety and Loss Prevention Committee, and the Toxicity Committee. Some of the specific achievements of these programs are cited in the Highlights section of this report (page 3). The overall objective of the PAC's technical activities is to provide the

technical information required to educate and control those external influences that might otherwise restrict the market opportunities for plastics.

Information Programs

Throughout the 1976-77 fiscal year, SPI/PAC continued to direct its information programs toward greater public awareness of the industry's essentiality to our way of life. The essentiality theme was intensified in communications efforts directed toward print and electronic media.

To promote the positive benefits of plastics and plastics products, SPI/PAC continued its extensive publicity campaign which reached an estimated 200 million readers and covered such areas as the home, health, medicine, agriculture, transportation, and leisure activities.

To respond quickly and authoritatively to any criticism of the industry, SPI/PAC continued to monitor print and electronic media, Congress and the state legislatures, federal and state regulatory agencies, and the major environmental and consumer organizations.

SPI/PAC directed a continuing flow of information—wherever possible and appropriate—on such vital issues as combustibility to the nation's firefighting community; on energy-saving aspects of plastics to members of Congress and the state legislatures; and on other major issues such as toxicity and product safety to key audiences including civic leaders, environmentalists, consumerists, and officials at all levels of government.

The highly-publicized saccharin issue and the controversies over plastic-related issues such as vinyl chloride and acrylonitrile attracted the attention and concern of the general public and decision-makers in government toward the entire area of food additives, thus reaffirming toxicity as probably the most serious foreseeable problem confronting the industry.

In addition, there were definite indications, particularly in the first five months of 1977, that a broad legislative assault on plastics packaging at the state level was developing and would continue throughout 1977 and into 1978. For the most part, the assault is predicated on a general misunderstanding of the energy and environmental aspects of plastics and will require a positive program of communications to turn around legislative thinking.

SPI/PAC has been structured to deal with and keep current on each important issue and to concentrate its efforts on formulating informational and publicity programs to support goals and objectives established by the Issue Committee of SPI/PAC.

In Minnesota, SPI/PAC carried out an extensive legislative action/communications program to defeat a bill to ban the sale of milk in plastic containers. Despite the industry's convincing defeat of the environmental arguments posed by proponents of the bill, it was

enacted into law in May 1977. The Plastics Packaging Strategy Group of SPI plans to challenge the law in the courts.

In the 50 states and in Washington, D.C., where immediate and positive measures were called for, SPI/PAC responded by developing industry action programs that involved one or more of the following:

Presentation of the industry's arguments by SPI and/or industry spokesmen at legislative regulatory agency hearings

Participation in interindustry efforts, where proposed legislation or regulation threatened or would affect several related industries

Initiation of special action programs to provide immediate visibility and relief where the industry's interests were being imminently threatened.

Activation of special legislative counsel to represent the industry in states where potentially adverse legislation had been introduced, the legislative climate was overtly hostile, or where the sheer volume of bills potentially threatened the industry's continued manufacturing and marketing of its products.

Refinement and development of SPI/PAC's Legislative Support Program in specific states—such as California, Indiana, Minnesota, and Oregon—where potentially restrictive legislation recurs yearly.

The future success of SPI/PAC's legislative programs depends greatly on member company support and participation, which adds strength, versatility, and mobility to the industry's effort wherever problems surface.

Washington Activities

Enactment in 1976 of several major new laws in such areas as toxic substances control, solid waste, energy, and consumer affairs together with a complete changeover in the political leadership in the White House and Congress, have made the Washington presence of the plastics industry increasingly important and valuable.

While many of the major industry issues—legislative, administrative, legal, and public relations—are holdovers, the new political leadership has determined a new agenda of priorities. In typical fashion, few of the problems go away, rather they tend to take on new dimensions and possibly, assume a higher or lower priority depending on a complex mix of social, economic, and political pressures. Specifically, for instance, last year's concern with the passage of the Toxic Substances Control Act and the Resource Conservation and Recovery Act has now shifted to the administrative arena at the Environmental Protection Agency.

The Washington Office has coordinated SPI involvement and response to proposed regulations as well as actively participating in public meetings and work sessions with EPA staff in an effort to achieve workable and reasonable rules by which the laws will be implemented. SPI initiative in response to requirements of both the toxic and the solid waste laws has been constructive and meaningful.

The Washington office has been directly involved in a wide range of important issues put before Congress. These include unfair taxes on feedstock supplies and process use of energy; proposed encouragement of unwise conversion of feedstock Synthetic Natural Gas (SNG) to residential heat; wholesale changes in the system of electricity rate charges; natural gas deregulation, and oil company divestiture; product liability; consumer protection proposals; various environmental proposals; proposals for changes in voluntary standard-setting arrangements; possible modification of the Delaney Clause; creation of a Federal Energy Department; reform of OSHA; labor relations reform; discussions of worker exposure to carcinogens; support for recognition of the special needs of small business; and developments in such areas as minimum wage, unemployment compensation, foreign trade, and others.

SPI is involved in the broad spectrum of the product liability issue through the activities of Ralph L. Harding, Jr., on the United States Chamber of Commerce Panel on Product Liability and the Steering Committee of the Multi-Association Action Council.

Major activity in the early months of the new 95th Congress has focused on President Carter's National Energy Plan. Extensive effort has been applied to protect plastics and the petrochemical industry from harsh taxes and other punitive measures. Closely related to this basic concern are proposals to encourage construction of SNG facilities that would use scarce feedstocks for fuel purposes; proposals to alter the current system of pricing the use of electricity by raising the cost to industrial and commercial customers; and proposals to deregulate natural gas and to force major oil companies to divest themselves of certain of their energy activities. Contact with key members of Congress, congressional staff, and the White House by SPI members, Washington representatives, and others has been a major element of this effort. Joint efforts with member companies, other trade groups, and special organizations to represent our views has been effective.

Possibly one of the most significant developments so far as effective representation of SPI to government decisionmakers was the establishment of a Washington-based Government Relations Committee to serve as a coordinating arm for PAC. Membership on the Committee includes representatives of both major companies and small businessmen. Significantly, the Committee unanimously decided to orient itself to the needs of plastics fabricators and processors and to approach questions of policy and strategy from this perspective. The combined expertise and experience of these government relations specialists will be of invaluable assistance in doing the best possible job in Washington.

Other functions performed by the Washington Office include daily coverage of congressional hearings, administrative proceedings, and press conferences. Every bill introduced in Congress is monitored, analyzed, and acted on as is appropriate. SPI is actively represented on several issue groups and similar organizations responding to or initiating action with the government.

Operating Units' Goals

SECTIONS

Eastern Section

The Eastern Section has established 13 objectives, and growth is stressed in each. A 20-member Membership Committee to get 50 new companies to join SPI in the section area during the first year and the continued growth of the Mid-Atlantic (previously the New Jersey Chapter) and Southern Chapters along with the establishment of a New York Chapter are immediate goals. Other goals are the ongoing result of our purpose: to bring SPI policy and objectives to the local level, to give local members the opportunity to be heard on a national level, and to examine and act on local issues.

In the past year, the section membership has grown to 312 companies and 576 individuals, and the Section has moved to larger quarters to handle the increased activity.

Midwest Section

The Midwest Section has completed the reorganization of its Board of Directors and has written new by-laws in order to allow it to become more active in state legislative activities and to be directly supportive of SPI divisions on regional programs and problems.

At present, in addition to successful conferences and meetings, the Section has been able to provide input to the Illinois Legislature on revising state workmen compensation laws and is now proceeding with the same type of program in the state of Michigan.

New England Section

A major objective of the Section is increased company membership throughout the six New England states.

The Section has established a Model States Program under the SPI Public Affairs Committee within the State of Massachusetts. A similar program is now being considered for the State of Connecticut.

Western Section

The Western Section hopes to bring the total members to 500 companies in the next few years.

The Western Section and the plastics industry in the West will continue to grow as migration to the sun belt continues. Plastics growth will be more than commensurate with the growth anticipated for the next few years in the 14 Western states.

During 1976-77, the Western Section established new chapters in the Southwest and Rocky Mountain areas. The Section had its first bi-annual Corrosion Resistant Structures Conference in 1976 and is planning its second one for 1978.

DIVISIONS

Cellular Plastics Division

The SPI Urethane Safety Group is now a part of the Cellular Plastics Division and the Division will change its name to the Urethane Division.

The Structural Foam Group of the Division is now in the process of organizing a separate operating unit within the SPI to be known as the Structural Foam Division.

Future objectives include additional fire research, development of additional specifications, increased Division membership, and expanded public relations.

Custom Sheet Extruders Division

During the year the Division invited the 15 company members of the Plastics Safety Glazing Manufacturers Committee to become a part of its organization. It also changed its name to the Sheet Producers Management Division.

The Division will concentrate on additional recommended Standards on material used in sheet forming; expanded publicity on suitable applications; and periodic future meetings with both thermoformers and material suppliers to consider pertinent problems.

Epoxy Resin Formulators Division

The Epoxy Resin Formulators' "Guide to Classifying and Labeling Epoxy Products According to Their Hazardous Potentials," has been forwarded to the American National Standards Institute for review, which should publish the updated standard later this year. The Technical and Test Methods Committee will recommend that the Division contact ASTM for the publication of a collection of ASTM methods pertinent to the epoxy industry.

Expanded Polystyrene Division

The Expanded Polystyrene Division continues its major work on product testing, communication, and education in the fire area.

In response to the insulation qualities of the product and the need for energy saving, a new marketing program is being developed to promote the many positive aspects of expanded polystyrene.

The Division has launched a scholarship program for new design and new applications of their products.

Fluoropolymers Division

Important actions taken by the Division in the past year include a change of name to the Fluoropolymers Division, the development of additional specifications and test procedures on fluoropolymers, and the sponsorship of two Division Conferences.

Foam Cup and Container Division

During the next half-decade, members of the Foam Cup and Container Division plan to continue their public campaign to establish foam cups and containers as beneficial contributors to the consumer's convenience lifestyle, while also helping to educate the public in proper solid waste disposal methods.

Foam Tray and Carton Division

The continuing goals of this group—members produce meat trays and egg cartons—are to maintain an open market by opposing laws and regulations restricting the use of foam packaging and to develop guidelines for the safe storage and handling of foam products.

Furniture Division

The Furniture Division's main goal is to upgrade and promote the use of plastics in furniture. In accordance, the main activity of this Division will continue to be a periodic Plastic Furniture Conference and presentation of Poly Awards for outstanding contribution to the plastics furniture industry.

Machinery Division

The Machinery Division's objectives include final preparation of 25 proposed Safety Standards on the various types of plastics processing machinery and auxiliary equipment, additional statistical programs, preparation of product liability proposals, and increased Division membership.

1976-77 saw the establishment by the American National Standards Institute of the Division's first Safety Standard which deals with the Construction, Care, and Use of Horizontal Injection Molding Machines.

Molder's Division

The Molder's Management Division has written a new set of by-laws and changed its name to the Molder's Division. Its objectives in the next five years are the development of programs and support for smaller molders, many of whom are presently not members of the Division.

The Melamine Dinnerware Committee under the Molder's Division has developed a new standard for melamine and will be introducing their new product to the world during the January Housewares Show. A major public relations and promotion program has also been developed in support of this effort.

Moldmaker's Division

The Moldmaker's Division has revised its objectives and apprentices to launch a new Apprentice Program in which, for the first time, the Division will be directly involved in curriculum guidance.

The Directory of Moldmaker's Services has not only been expanded to include the large number of new members, who have joined since the Division has become active, but now incorporates a Buyer's Guide.

Organic Peroxide Producers Safety Division

The Organic Peroxide Producers Safety Division has appointed two new representatives to an NFPA Committee, which is developing a standard on the storage and handling of organic peroxides.

The Division considers large scale testing of peroxides critical.

The Division also has representation within the U.S. delegation to the United Nations, concerning packaging of peroxides, storage temperatures, and classifications which the Department of Transportation can incorporate into its existing regulation.

The Plastic Bottle Institute

For at least the next two, and probably three, years the Plastic Bottle Institute will be continuing to try to get the news media, state, federal, and local legislators, and the general public to understand the role of plastic bottles in the energy, solid waste, and health and safety questions.

The Division should grow in membership as more bottler producers, including packagers involved in package manufacturing, recognize the need to support a mutual defense of plastic bottles.

Plastics Pipe Institute

Last year the Plastics Pipe Institute conducted a major reorganization. Previously, all funds and activities were centralized, but the new structure has a staff umbrella organization. The PPI's Executive Board will establish policy and coordinate its activities.

A unique feature of the new organization is the potential to establish market divisions which will be responsible for the marketing and technical activities needed to increase the use of plastic pipe in that particular market. To date six divisions have organized: Plumbing Products, Gas, Sewer, Irrigation, Flexible Small Diameter, and Flexible Large Diameter.

The members of the new Executive Board plan a vigorous program to re-establish the prominence which PPI once held.

Each division is in the process of defining its goals and objectives, and PPI's activities and personnel performances will be measured against the objectives.

Profile Extruders Division

In the future, the Profile Extruders Division plans to develop standards and guidelines on tolerances and trade practices in terms of size control. It will cooperate with state and local authorities in the development of suitable environmental and workplace standards.

It is projected that the membership of this Division will increase as a result of stepped-up activity and improved conference programs and that the Window and Sliding Door Committee will continue to grow with the possibility of becoming a separate operating unit.

Reinforced Plastics/Composites Institute

The Reinforced Plastics/Composites Institute has defined a number of goals for the next few years. The Institute will accelerate RP Committee activities to correspond with new and changing markets. It further plans to provide industry-wide recommended work practices as fiber glass fabrication becomes a regulated industry. Specialized services will be developed for diverging sections: e.g., captive press molding, open custom processes, pipe manufacture. The capability for increasing international activities will also be developed.

Over the past year, the RP/CI has presided over exhibit and publication innovations at the 32nd Annual Conference in February and initiated health studies and work practices in preparation for the OSHA standard.

The Rigid Plastic Containers Division

During the next five years, producers of rigid plastic containers should begin efforts to develop a better understanding with packagers of the versatility of thermoformed and injection molded containers and should see increased use of these packages for a variety of products.

During the past year the Rigid Plastic Container Division has developed a Standard Practices Manual.

Vinyl Dispersion Division

In the past year the final report on Vinyl Powders and Coatings was submitted, effectively establishing vinyl powders and coatings as part of this Division.

Vinyl Siding Products Division

The Vinyl Siding Products Division will continue to grow as new members join the fold and as all members continue to realize the benefits of attacking industry-wide problems as a group vitally interested in their solution. Included among these problems will be fire safety, insulation systems, the introduction of metric measurements, and new specifications for new products.

Some of the Division's goals are to achieve absolute leadership within the prefinished siding industry, to increase sales by 20 percent per year over the next five years, and to conduct intensive promotional programs in order to accomplish the foregoing.

COMMITTEES

Committee on Distribution

The Committee on Distribution's main goal is to expand the membership of the Committee to include better representation of liquid resin suppliers (it currently is composed mainly of resin pellet suppliers).

Further, the Committee intends to educate the membership in the use of the computer in distribution, to inform the members of SPI on matters relating to conversion to the metric system and to hazardous materials

regulations, as issued, and to continue the study of various modes of transportation—marine, railroad, bulk truck, and common carriage truck.

Committee on Resin Statistics (CRS)

The Committee on Resin Statistics has a number of goals set down. They include studying and developing an effective system of converting the resin statistical program to the metric system; beginning work on the development of a proposed worldwide resin statistical program; inaugurating an annual five year sales forecasting program.

Coordinating Committee on Consumer Safety

The Coordinating Committee on Consumer Safety has had an active and successful year. At the National Fire Protection Association (NFPA) Annual Meeting the Plastics Information Center was again operated for three nights, with an estimated 1000 visiting. Also at the NFPA Meeting, a move to restrict the use of PVC conduits in exposed applications was defeated through the coordinated action of this committee and the PVC Fire Safety Committee.

Financial Management Committee

The Financial Management Committee plans to continue to develop and improve all financial and compensation surveys and to complete and successfully introduce the Financial Management Manual for Plastics Processors.

Food, Drug, and Cosmetic Packaging Materials Committee

Goals of this Service Committee for the next five years should continue to be focused on developing, in cooperation with the U.S. Food and Drug Administration, expanded and improved regulations covering plastic materials for the packaging of foods, drugs, and cosmetics.

A proposed generic standard for high density polyethylene drug packaging was established in the past year, and a new meeting format—to include an educational seminar—was initiated.

International Committee

The International Committee has specific goals for the next few years. The Committee is scheduled to inaugurate a videotape Export Promotional Program in 1978, and is to start effectively organizing International aspects of NPE/79. There are, further, the long range goals of organizing a Trade Mission to the U.S.S.R. and Eastern European countries and starting development of plans for a Trade Mission to the Peoples Republic of China.

In the past year, the International Committee has completely reorganized and revitalized the Committee, including revised By-laws, significantly enlarged membership, and improved meeting attendance.

Plastic Beverage Container Group

These producers of beverage bottles and barrier resins plan to establish full governmental and public acceptance of plastic bottles for carbonated beverages and beer, on both the federal and state level, through education about the favorable environmental impact of these plastic containers. Whenever this is accomplished, the Group's objective will be met and they will disband.

Safety and Loss Prevention Committee

The Safety and Loss Prevention Committee reported the results of the current fire tests conducted at the Factory Mutual Research Center at the Sixth Annual Combustibility Symposium and at the NFPA Conference. It is felt that four to six further tests are required before a satisfactory standard can be written for the storage of plastic in warehouses.



Traffic Committee

The Traffic Committee has established a number of goals. The first is to minimize transportation costs consistent with sound business practices and technological developments.

The second is to improve and promote the status of the plastics industry with governmental transportation agencies and carrier organizations.

The Committee has had a year full of accomplishments. It has participated in over 30 proceedings before various regulatory agencies and freight rate-making bureau, securing appreciable changes.

SPECIAL PURPOSE GROUPS

Appliance Council

The Appliance Council plans to conduct an Appliance Awards program with the emphasis on developments involving plastics in appliances resulting in energy conservation.

This Council will continue to function as a clearinghouse for information of mutual interest and as a monitoring agent to alert members to threatening legislative and regulatory activity.

Housewares Manufacturers Group

The Housewares Manufacturers Group will monitor and suggest action on key issues including supply of raw materials, state and federal regulations which could

limit the sale of members' products, and product liability. It will also continue to be represented at the Coordinating Committee of Consumer Safety meeting, to hold periodic meetings in conjunction with the Housewares Show, and to increase membership participation.

National Plastics Exposition and Conference

The NPE committee has already begun planning for the next show. The dates are June 18 to 22, 1979, McCormick Place, Chicago. The Committee plans to top NPE/76 in size by increasing the exhibit space by 30,000 to 40,000 square feet over the NPE/76 total of 291,000 square feet.

Other than increasing size and attendance, the scope of the '79 Exhibition will be broadened through greater participation from material suppliers and processor members.

Plastic Drum Institute

The Plastic Drum Institute now represents every U.S. manufacturer of the 55-gallon all plastic drum.

Division objectives include more effective liaison with such organizations as the American Petroleum Institute, the Manufacturing Chemists Association, the Military Services, the General Services Administration, as well as the National Freight Classification Boards.

Plastics in Construction Council

The Plastics in Construction Council has three major goals: provide a code recommendation or standard for each major plastic building product not already codified, implement the new SPI Fire Safety Policy, and as a result, enhance the credibility of the industry with code and public safety officials.

If two new Federal agencies, the National Institute of Building Sciences and the National Commission on Fire Prevention and Control, supplant model building codes, the Council's programs may change significantly.

Plastic Packaging Strategy Group

Newly formed in 1977 as a support group for the SPI Public Affairs Committee, the goal of the Plastic Packaging Strategy Group is and will continue to be defending against concentrated attacks which threaten to have a major impact on the consumers' freedom of packaging choice and the free market opportunity for all packaging forms to compete.

Polystyrene Safety Group

The Polystyrene Safety Group, in addition to its ongoing goals of publishing know-how as it becomes available, developing guidelines wherever possible, and using data to seek modification of regulatory action when necessary, intends to continue to generate technical data that is or may be needed in response to regulatory actions or public emotion. It also plans to complete data on the combustion issue within two years and to complete data on the health and environmental aspects of use and disposal of polystyrene within four years.

Financial Statements

Balance Sheets

May 31, 1977 and 1976

ASSETS

	1977	1976 (restated) (note 2)
Cash in checking account and on hand	\$ 3,999	\$ 2,600
Time savings deposits	1,047,857	302,503
Short-term investments, at cost (which approximates market)	2,594,033	2,550,000
Receivables:		
Membership dues, less allowance for doubtful accounts, 1977, \$18,338; 1976, \$15,000	2,449	147
Other	40,789	39,285
Prepaid expenses and other assets	12,445	11,523
Deferred charges — 1976 National Plastics Exposition	—	358,838
Fixed assets (note 2):		
Furniture and equipment	114,115	105,855
Leasehold improvements	72,440	72,440
	186,555	178,295
Less accumulated depreciation and amortization	36,560	20,229
	149,995	158,066
Total assets	<u>\$ 3,851,567</u>	<u>\$ 3,422,962</u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Cash overdraft	\$ 26,107	\$ 49,323
Accounts payable and accrued expenses	577,084	439,937
Unearned membership dues	33,099	12,182
Deferred revenue — 1976 National Plastics Exposition	—	613,956
Deferred revenue — other	—	7,852
Total liabilities	<u>636,290</u>	<u>1,123,250</u>
Fund balances:		
General fund:		
Unappropriated	286,632	134,028
Appropriated (note 7)	1,702,528	1,480,809
	1,989,160	1,614,837
Special projects funds	1,226,117	684,875
Total fund balances	<u>3,215,277</u>	<u>2,299,712</u>
Total liabilities and fund balances	<u>\$ 3,851,567</u>	<u>\$ 3,422,962</u>

See accompanying notes to financial statements.

Statements of Revenues and Expenses

Years ended May 31, 1977 and 1976

	1977	1976 (note 2)
Revenues:		
Membership dues	\$ 3,334,083	\$ 3,486,148
Interest	194,551	176,555
Sales of literature	64,739	42,302
Special projects	2,405,161	2,278,066
Other	23,287	2,364
	<u>6,021,821</u>	<u>5,985,435</u>
Expenses:		
Direct:		
Membership services:		
Legal and consulting	430,868	481,554
Communications (public relations)	80,282	83,624
Administrative	98,645	72,415
Membership promotion	33,156	25,756
Directory	19,186	8,897
Special projects—research, development, legislative, public relations	2,405,161	2,278,066
Service operating units	154,058	124,607
Divisions and groups	71,426	64,647
Regional offices	131,342	116,834
Public affairs committee	1,406,719	1,232,434
Chemical Industry Trade Advisor	3,000	2,000
Plastics Education Foundation	8,475	11,250
Indirect program, administrative and general:		
Salaries and employee benefits	1,164,591	1,059,272
Office supplies and expenses	215,746	213,990
Rent	103,417	97,121
Auditing and computer services	57,289	49,701
Provision for depreciation and amortization (note 2)	19,340	13,911
Provision for doubtful accounts	9,677	4,477
Other	39,311	26,671
	<u>6,451,689</u>	<u>5,967,227</u>
Less allocation of administrative expenses to National Plastics Expositions	<u>240,000</u>	<u>75,000</u>
	<u>6,211,689</u>	<u>5,892,227</u>
Excess (deficiency) of revenues over direct and indirect expenses	(189,868)	93,208
Product liability expenses	(11,405)	—
1976 National Plastics Exposition revenues, net of related expenses of \$1,587,418	575,596	—
Excess of revenues over expenses	<u>\$ 374,323</u>	<u>\$ 93,208</u>

See accompanying notes to financial statements.

Statements of Changes in Fund Balances

Years ended May 31, 1977 and 1976

	1977		1976	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year (note 2)	\$1,614,837	\$ 684,875	\$1,521,629	\$ 320,270
Excess of revenues over expenses (note 2)	374,323	—	93,208	—
Special projects funds additions:				
Assessments	—	2,143,418	—	2,147,436
Meetings and conferences	—	462,999	—	399,111
Sales of literature	—	71,077	—	45,827
Contributions in support of special programs	—	262,405	—	45,900
Other	—	6,504	—	4,397
Special projects funds transferred to general fund revenues and expended	—	(2,405,161)	—	(2,278,066)
Balances at end of year	<u>\$1,989,160</u>	<u>\$1,226,117</u>	<u>\$1,614,837</u>	<u>\$ 684,875</u>

Notes to Financial Statements

May 31, 1977 and 1976

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Other significant accounting policies are set forth in the financial statements and the following notes.

2. Adjustments to Fixed Assets

Based upon a thorough review of detailed records in support of fixed assets, the Society has determined that it should have removed \$135,455 of fixed assets, less accumulated depreciation of \$85,576, from the accounts as of May 31, 1975 or prior. Accordingly, the fixed assets and general fund balance have been reduced by \$49,878 as of May 31, 1975 and depreciation expense for 1975-76 has been restated (reduced by \$10,673) in the accompanying financial statements.

3. Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1977 and 1976 aggregated \$110,250 and \$96,400, respectively. There are no unfunded past service costs. At May 31, 1977 and 1976, the assets of the fund exceeded the value of the participants' vested benefits.

4. Products Research Committee Funds

Effective December 3, 1974, the Society executed with the Federal Trade Commission a consent order which, among other things, required the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products.

The research is to be funded over a five-year period by various other respondents to the FTC proceeding. The Society is custodian of the Committee's funds and, at May 31, 1977, held \$1,426,771 (\$1,247,249 in 1976) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

5. Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgements for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

6. Commitments

The Society's lease commitments for office spaces are as follows:

<u>Year ending May 31</u>	<u>Commitment</u>
1978	\$131,501
1979	124,371
1980	121,442
1981	109,961
1982	107,500
1983-1985	<u>313,542</u>

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$107,500 per year. The lease expires in 1985; however, the Society has the option to terminate such lease as of April 30, 1980 upon payment of an additional option fee of \$140,000.

Certain leases are subject to escalation provisions based on real estate taxes.

7. Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	<u>1977</u>	<u>1976</u>
Public Affairs Committee	\$ —	\$ 78,500
Capital improvements	6,796	13,687
Product liability	38,595	—
Other	1,657,137	1,388,622
	<u>\$1,702,528</u>	<u>\$1,480,809</u>

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
345 PARK AVENUE
NEW YORK, NEW YORK 10022

The Board of Directors
The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1977 and 1976, and the related statements of revenues and expenses and of changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1977 and 1976, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 12, 1977

Peat, Marwick, Mitchell & Co.

Directors

Section Directors

Eastern Section
HARRY USSERY
 Southeastern-Kusan, Inc.
 Greenville, South Carolina

Midwest Section
FRITZ A. BACKSCHEIDER
 Recto Molded Products, Inc.
 Cincinnati, Ohio

New England Section
GAGE OLCOTT
 Dow Chemical U.S.A.
 Wellesley, Massachusetts

Western Section
ROBERT POET
 Silmar Division, Vistron Corp.
 Hawthorne, California

ROBERT K. HALLIDAY*
 Wilson & Geo. Meyer & Co.
 Los Angeles, California

Division Chairman

Cellular Plastics Division
HERBERT NADEAU
 The Upjohn Company
 North Haven, Connecticut

Custom Sheet Extruders Division
LEO FLEMING
 Alma Plastics Corp.
 Alma, Michigan

M. L. CHRISTENSEN*
 Atlas Plastics Corp.
 Cape Girardeau, Missouri

Epoxy Resin Formulators Division
LLOYD A. DIXON
 Hysol Division, Dexter Corp.
 Industry, California

Expanded Polystyrene Division
EVERETT OFTEDAHL
 Expanda-Foam, Inc.
 Antioch, Illinois

Fluoropolymers Division
WILLIAM J. HUBER
 Modern Industrial Plastics
 Division
 Dayton, Ohio

SAUL RICKLIN*
 Dixon Industries Corp.
 Bristol, Rhode Island

*Term expired in 1977

Foam Cup and Container Division
MARK H. DUNNELL
 Mars Cup Company
 Huntington Station, New York

Foam Tray and Carton Division
ROBERT WOOD
 Mobil Chemical Co.
 Macedon, New York

Furniture Division
HARLEY D. HENRY
 Styrex Industries
 High Point, North Carolina

Machinery Division
WILLIAM MERICLE
 Cincinnati Milacron Co.
 Cincinnati, Ohio

Mold Makers Division
JAMES McWILLIAM
 Ivanhoe Tool and Die Co.
 Thompson, Connecticut

Molders Management Division
DANIEL HIDDING
 Dana Molded Products, Inc.
 Arlington Heights, Illinois

RICHARD McKIBBEN*
 Modern Plastic Co.
 Compton, California

Organic Peroxide Producers Safety Division
DONNELL A. BALLARD
 Oxirane Corp.
 Houston, Texas

Plastic Bottle Institute Division
WILLIAM J. GRAHAM
 Owens-Illinois, Inc.
 Toledo, Ohio

DONALD POLLOCK*
 Consupak, Inc.
 Morristown, New Jersey

Plastic Pipe Institute Division
GERARD R. QUINN
 U-Brand Corp.
 Ashland, Ohio

CHARLES DOUGLAS*
 Celanese Piping Systems
 Hilliard, Ohio

Profile Extruders Division
ADOLPHE J. DeMATTEO
 Thielex Plastics Corp.
 Piscataway, New Jersey

WILLIAM F. MILLER, JR.*
 Johnson Plastics Corp.
 Middlefield, Ohio

Reinforced Plastics/Composites Institute Division
ROBERT M. VOGELI
 Chevrolet Div., General
 Motors Corp.
 Warren, Michigan

Rigid Plastic Container Division
PAUL TROW
 Dart Industries
 Ludlow, Massachusetts
Vinyl Dispersions Division
ERNEST E. McCLELLAN
 Plast-O-Mer
 Waukesha, Wisconsin
FRANK JONES*
 Pyramid Plastics
 Hope, Arkansas

Vinyl Siding Products Division
WILLIAM P. HAMMOND
 GAF Corp.
 New York, New York

KENNETH R. VALLESKEY*
 Mastec Corp.
 South Bend, Indiana

Directors at Large

June 1, 1974 to May 31, 1977

JACK M. FLYNN
 Dow Chemical U.S.A.
 Midland, Michigan
IVAR A. LUNDGAARD
 E. I. du Pont de Nemours &
 Co., Inc.
 Wilmington, Delaware
ROBERT S. MORRISON
 Molded Fiber Glass Companies
 Ashtabula, Ohio

CHARLES E. O'CONNELL
 Gulf Oil Chemicals Co.
 Houston, Texas
CLYDE RUSHING
 Peco Manufacturing Co.
 Portland, Oregon

KENNETH SCHOEN
 The Valspar Corp.
 Milwaukee, Wisconsin

June 1, 1975 to May 31, 1978

T. E. BRANSCUM
 Gott Manufacturing Co.
 Winfield, Kansas
ROBERT GERDES
 Plastic Moldings Corp.
 Cincinnati, Ohio

CHARLES GRANT
 Hercules, Inc.
 Wilmington, Delaware

JAMES S. HEARONS
 Owens-Corning Fiberglas
 Corp.
 Toledo, Ohio

JEAN F. MALONE
 B.F. Goodrich Chemical Co.
 Cleveland, Ohio

EDWARD G. SLATCHER
 Container Corporation of
 America
 Wilmington, Delaware

June 1, 1976 to May 31, 1979

RICHARD A. BRADBURY
 PMS Consolidated of California
 Gardena, California

WALTER BUSSART
 Eastman Chemical Products,
 Inc.

Kingsport, Tennessee
F. REED ESTABROOK, JR.
 Brook Molding Corp.

Norwood, Massachusetts
JACK G. FULLER, JR.
 Polymer Machinery Corp.

Berlin, Connecticut

GEORGE KAULL
 Premix, Inc.
 North Kingsville, Ohio

RALPH M. WINTERS
 Amoco Chemicals Corp.
 Chicago, Illinois

June 1, 1977 to May 31, 1980

RIPLEY GAGE
 Gage Industries
 Lake Oswego, Oregon

RICHARD GOODRUM
 Ethyl Corporations,
 Vis-Queen Division

Baton Rouge, Louisiana

IVAR A. LUNDGAARD
 E. I. du Pont de Nemours &
 Co., Inc.

Wilmington, Delaware
KENNETH SCHOEN
 Norco Plastics

The Valspar Corp.
 Milwaukee, Wisconsin
WILLIAM SESSIONS

American Can Co.
 Greenwich, Connecticut

R. PETER TOOHY
 Shell Chemical Co.
 Houston, Texas

Staff



THOMAS J. McGRATH
GENERAL MANAGER

G. C. BARNES
Public Relations Manager

JULIETTE LANG CAHN
Staff Director

Appliance Council
Committee on Distribution
Furniture Division
Housewares Manufacturers
Group
Polystyrene Safety Group (PAC)
Profile Extruders Division
Traffic Committee
Vinyl Siding Products Division

JEROME P. CARROLL
Director of Safety

Coordinating Committee on
Consumer Safety
Epoxy Resin Formulators
Division
Film Wrapped Palletized
Products Committee
Organic Peroxide Producers
Safety Division
PVC Meat Wrap ad-hoc
Committee
Radio Frequency Heating
Committee
Safety & Loss Prevention
Committee (PAC)
Vinyl Dispersions Division

RALPH L. HARDING, JR.
PRESIDENT



WILLIAM A. DIRZULAITIS
Director of Administrative Services
National Plastics Exposition

ALBERT J. EVANS
Director of Statistics
Committee on Resin Statistics
Financial Management
Committee
International Committee

LAURA JONES
Administrative Assistant to the
President, Secretary to the
Board

HOWARD KIBBEL
Marketing Analyst

(to be named)
PPI Executive Director
Plastics Pipe Institute

A. B. HUNTER
Southern Field Representative

STAN MRUK
Technical Director

FRANK REINHART

ANTHONY L. SCARANO
Midwest Field Representative

JOHN R. LAWRENCE
Technical Director
Acrylonitrile Copolymers
Product Group
ad hoc Combustibility Safety
Committee
ad hoc PET Safety Committee
PAC Technical Committee
Plastics Resource Recovery &
Conservation Committee
Polyethylene Refuse Bag
Committee
PVC Safety Committee

ROBERT MALLIA
Controller

JOHN MALLOY
Director of Packaging Services
Foam Cup & Container Division
Foam Tray & Carton Division
Food, Drug & Cosmetic
Packaging Materials
Committee
Plastic Beverage Container
Group
Plastic Bottle Institute
Plastic Jerry-Can Committee
Plastic Packaging Strategy
Group
Rigid Plastic Container Division

JOSEPH S. McDERMOTT
Manager
Plastics in Construction Council
Reinforced Plastics/Composites
Institute

MAUREEN MIGDALEN
Administrative Assistant to the
General Manager

BERT S. MONTELL
Staff Director
Button Group
Fluoropolymers Division
Machinery Division
New England Section
Plastic Drum Institute
Sheet Producers Management
Division
Structural Foam Division
Urethane Division
Vinyl Film Group

E. S. NUSPLIGER
Director of Public Affairs
Public Affairs Committee

C. RICHARD TITUS
Manager, Government Relations
Washington, D.C. Office

PAT TONER
Assistant Technical Director

JOHN WEIGLY
Membership Director

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SPI-22165



1978 Annual Report

Plastics: The Emerging Giant

SPI-22166



Officers 1977-1978

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Immediate Past Chairman
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Philips Chemicals Co.
Houston, Texas

The Cover

The Plastics Industry, characterized as "The Emerging Giant," began to make its voice heard throughout the land during this past year. SPI served as the focus point through which a powerful, unified Plastics Industry raised its voice. As the Industry has grown, SPI has emerged as a strong Society through its involvement in public affairs, its diversity, and a strong leadership.

(Cover photo courtesy of
ACF Shippers Car Line Division)

Chairman's Letter

"Plastics—the Emerging Giant" was a particularly appropriate theme for this year's Annual Meeting of the Society. I am not sure about this industry based not only on past accomplishments but also on future growth prospects. And, for the same reasons, I am optimistic about our industry's future. We have every reason to be projecting growth in every market our processor members have new opportunities. New or improved resins and improved machinery are continuing to be further expansion. All of this optimism and expansion is based on the fact that the external pressures on our industry have more than kept pace with our growth. Plastics—produced by the chemical industry from petroleum feedstocks—have some special negative image problems that do not help us in the areas of community, energy, product liability, environment, or toxicity. Under other circumstances the seriousness of these problems might very well dampen our optimism and our expansion plans. However, there is not only potential and momentum, there is recognition that plastics will become more and more the essential materials of our economy.

I sincerely believe there is another reason for our undiminished faith in the future, the belief that no matter what the problem, the plastics industry will cope and will ultimately prevail. We have recognized that in order to protect and promote the good name of plastics we have had to develop a very strong and effective industry association.

Three factors have been the principal contributors to the success of the Society in my opinion. First, the very size and nature of the issues forced us into collective responses. We had no choice unless we wanted to lose our bright future. The second reason has been the emergence of determined and effective leadership, whatever and wherever the problem. Finally, in response to the challenges, literally thousands of members have seen the importance of working together. As a result, and of necessity, your Society is stronger today than ever before—and getting stronger. It is important for everyone interested in this industry to recognize the diversity and depth of involvement of our Society through the programs of our various sections, divisions, groups, committees, and councils. This past year's activities and achievements, described in this Annual Report, speak for themselves.

The most visible and far-ranging of the Society's activities have, of course, been in Public Affairs, where we are involved in Washington and in the states from coast to coast and even in Hawaii. Our Washington involvement has continued to grow, especially with the agencies most directly involved in developing a federal cancer policy.

Although less publicized, the regular or traditional programs of the Society's various operating units showed considerable progress. Reflecting both favorable business conditions and stronger interest, attendance at many of our meetings was up substantially.

While on balance we have a right to be optimistic about the Society, we also have a problem that needs to be fully understood by our members. Although our financial position is very strong, we have been spending more than our income. In fiscal 1977 our net excess of expenses over income (before the National Plastics Exposition) was \$189,868. For the year ending May 31, 1978, we originally budgeted to draw down our reserves by \$482,000 to maintain our ongoing programs. Because income exceeded our budget, and because of good expense management, we were able to show a net favorable variance of \$323,161. Thus, instead of \$482,000 our use of reserves was only \$158,839.

For the 1978-79 fiscal year your Board authorized an expense to force a balanced budget at \$4,587,000 with no provision for contingencies or for new activities in the face of continuing high inflation. It will be more and more difficult to hold the line in future years. Your Board will continue to monitor this situation closely. Despite these budgetary pressures, your Board is also continuing to study the Society's dues structure. Many alternatives have been suggested to us, but thus far none of them can assure us the total income which your Board believes is essential to maintain our programs.

I certainly have enjoyed and benefited from my participation in the Society. It really has been a privilege and a pleasure for me to serve as your Chairman these past two years. My role has been made easy by the help that has been provided by your Board of Directors and the Society's staff. It is a professional and smooth running operation.

My special thanks to all of the Directors, who have served the Society so well. They volunteer a considerable amount of their valuable time on your behalf, and they have earned your and my gratitude. I was especially fortunate in having a strong group of officers in Rex Liver Freeman, Fred Sutor, Red Niederleider, and Rex Scott.

During this past year, Ralph Harding completed his tenth year as the Society's chief staff officer. During that time he has emerged as the industry's principal spokesman. With his leadership and with a very able staff I am confident we now have strong resources to face future critical issues.

Finally, I am delighted to turn the Chairmanship over to my good friend, Iver Freeman. He is widely known and universally respected in our industry and fully prepared for this new responsibility. In addition to being in sound shape, your Society is in good hands.

STANFORD H. SHAW
Chairman

Stanford H. Shaw

SPI Public Affairs Committee

Legislative/Regulatory Activities

As in the past, PAC has looked at every piece of legislation introduced at the Federal level, in the 50 states and in Puerto Rico. PAC has analyzed each for its potential impact on the plastics industry, monitored the critical bills throughout their history, and reported on the pertinent legislation monthly, through the PAC Legislative Bulletin. In fiscal year 1977-1978 perhaps 300,000 proposed or introduced bills were reviewed.

Whenever legislation that would seem to affect our industry particularly was being seriously considered, PAC took the necessary action. PAC has engaged local counsel in several state capitals. Staff has submitted oral or written testimony and/or supplied pertinent technical information to scores of legislative and regulatory hearings. Upon occasion PAC has taken advantage of the listing of member companies that have volunteered support for Government Relations. PAC has called upon SPI-initiated, independent Plastics Industry Public Affairs groups which now exist in five states. PAC has also established careful liaison with other industries and other organizations which have similar interests in legislative proposals.

Success in all these efforts would be impossible without wholehearted member company participation, which PAC has had. SPI member companies have come to realize that they have a stake in any legislative or regulatory activity that would adversely affect the plastics industry, even though they may have little direct interest in the specific material or products under question. They now realize that an attack on any segment of the plastics industry is an attack on the entire industry.

Generally, the end results in 1977-1978 were excellent. The successful conclusion of a PAC lawsuit (with several member companies and interested non-members) against the State of Minnesota did result in a Court decision that declared that State's ban on non-returnable plastic milk containers unconstitutional, and therefore invalid. PAC was unable to secure legislation which would have repealed the ban on plastic beverage containers in Hawaii but is continuing its efforts. The industry has not been seriously damaged during this period in spite of an equally record number of threats.

For the future PAC sees several unmistakable trends. PAC is convinced that more legislation and more referenda to place mandatory deposits on beverage containers will be forthcoming. A new trend is noted in many states to require special packaging and/or labeling on plastic insulation. PAC sees an encouraging interest in the states toward legislation that would provide some sort of relief on product liability. PAC further sees—at the state level—a "rush to regulation" trend. More state regulatory agencies are being created, sometimes with inadequate knowledge of what they are required to regulate. In this regard, technical information supplied by member companies has been invaluable, and more will be necessary in the future.

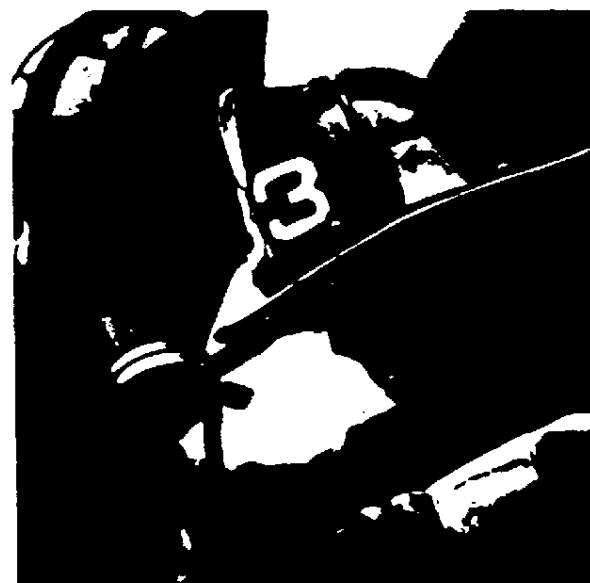
PAC Technical Activities

The technical activities of the Public Affairs Committee are coordinated and supervised by Mr. Peter Toony, Chairman of the PAC Technical Committee and SPI Technical Director, John R. Lawrence. Through the PAC's Issue Coordinators on Combustibility, Resource Recovery, Toxicity, Energy and Feed Stocks, and Product Liability, liaison is provided to all SPI programs.

Specific research projects relating to the combustion of plastics, resource recovery and conservation, safety and loss prevention, and toxicity are developed and monitored respectively by the Coordinating Committee on Consumers Safety (CCCS), the Plastics Resource Recovery and Conservation Committee (PRR&CC), the Committee on Occupational Safety and Health, and the Toxicity Committee. Some of the specific achievements of these programs are cited in this report. The overall objective of the PAC's technical activities is to provide the technical information required to educate and control those external influences that might otherwise restrict the market opportunities for plastics.

Combustibility

The SPI Fire Safety Policy approved by the Board of Directors in 1977 was fully reviewed by all SPI operating divisions during the year with respect to the need to conduct hazard analyses and develop specific use recommendations. It was found that a number of divisions have already conducted such analyses and other divisions are planning to become involved in similar activities. The responsibility of monitoring and encouraging work along these lines has been delegated to the Coordinating Committee on Consumer Safety.



Firefighters should always use face masks

"Credibility at the Crossroads" was the theme of the 7th Annual Combustibility Symposium conducted by the Public Affairs Committee's (PAC) Coordinating Committee on Consumer Safety (CCCS) on April 13-14 in Boston. The meeting brought together over 150 plastics industry, government, and fire community representatives to examine such important issues as fire hazard analysis, plastics combustibility technology, risks vs. benefits, the National Fire Data System, life safety systems, the relationship of fire tests to real fire situations, and product liability.

Another significant achievement in the area of fire technology was the completion of a two year project sponsored by the SPI and the National Fire Prevention and Control Administration (NFPCA) at the Harvard School of Public Health involving the analysis of gas samples taken by firemen during over 200 actual fires. A final report on this study will be issued before the end of 1978 but results already show conclusively that firefighters should always use respiratory protection.

SPI's support of the National Bureau of Standards Center for Fire Research continued with Research Associates on loan from the plastics industry contributing to programs involving the development of tests for ease of ignition, flame spread and burning rate, and rate of heat release. Work was initiated by the CCCS to determine the relevance of an NBS combustion toxicity protocol to real fire situations.

The CCCS is changing the emphasis in its programs so as to complement other national programs directed toward the reduction of the frequency and severity of the nation's fire losses.

Occupational Safety and Health

The Warehouse Fire Test Program sponsored by SPI over the last several years was completed and reported on to the National Fire Protection Association which has the responsibility for establishing standards for the storage of plastics. It is expected the information from this testing program will enable the establishment of much more realistic and reasonable storage standards.

A survey conducted by the Committee on Occupational Safety and Health (COSH) has identified a strong interest by processing members of SPI in an industrial safety training program for plastics processing plants. A major effort to follow up on this interest and develop such a program has been initiated by COSH.

Toxicity

For several years major programs have been carried out by various self funded special interest groups within SPI in response to regulatory problems relating to the toxicity of materials such as vinyl chloride, acrylonitrile, and most recently styrene. Meanwhile, the PAC's Toxicology Committee has been reviewing the most up-to-date information on all the principal materials used by the plastics industry to identify areas where information is lacking or where the possibility of regulatory action may exist.

The review of toxicology information on all of the major volume substances used in the plastics industry was completed during the year and, in general, adequate data has been developed to assure the de-

velopment of safe use procedures.

In several cases more information is being sought or the results of tests currently underway are being awaited to fully characterize the toxicity of materials used by the plastics industry.

In order to make available previously unpublished studies by various member companies, SPI has established a toxicology data file for use by all SPI members.

A major response to OSHA's proposed general carcinogen regulation was made by SPI with emphasis placed on the need for an "action level" or product exemption for processing operations where exposure levels are such that health risks do not exist and the cost of compliance activities is not justified.

Resource Recovery and Material Conservation

The PAC's Plastics Resource Recovery and Conservation Committee has continued to monitor federal regulatory activities on solid waste and resource recovery. It has also developed position statements submitted to EPA in opposition to the concept of a federal solid waste product charge to offset the cost of handling waste disposal.

A study of the contribution to the quality of life made by selected plastics packaging products was completed and a final report will be published shortly.

Information Programs

Throughout its past history PAC has had to focus its information program on reaction—quick and sensible response to irresponsible charges made against the industry in the press. The necessity for this activity persists and our mechanism to respond remains in place. Now, however, PAC is tending toward a more anticipatory action. We feel that if a large percentage of the thought leaders and the general public knew more about the essentiality of plastics to their current society and to the future, there would be fewer attacks upon us.

Accordingly, PAC has begun to implement a total promotion program based upon the essentiality of plastics and some of these elements are already operative. For example, PAC has expanded the Public Relations staff, developed a Speaker's Bureau, and written and produced several pertinent self-contained slide film presentations which can be used by anyone in the industry to address audiences from the size of a single legislator through Garden Club and Rotary Club meetings and larger audiences that may present a platform. PAC has produced several pieces of literature addressing the answers to the most common criticism of the industry, the history and importance of the industry, and more is being planned. A system for informing processors on how best to address representatives of the press and legislatures is available for use at plastics industry meetings. We are informing the public through the press of the contributions to the general wellbeing that have been made through the technical programs described previously.

Plans for a stepped-up informational program to include an industry logo and television advertising will be considered by the Board during the coming fiscal year.

Washington Activities

Over the past year, the SPI Washington Office continued to monitor developments and to represent the plastics industry on Capitol Hill, in the Federal agencies, and in the Executive branch on a broad spectrum of public issues and Government regulations.

Highlights of this year's activities include active participation in a wide range of legislative and regulatory efforts. These include involvement in the areas of feedstock energy supply, natural gas deregulation, product liability reform, product charges and beverage container deposits, labor law reform, regulation of insulation, the American Industrial Health Council's (AIHC) alternatives to the Occupational Safety and Health Administration's (OSHA) carcinogen policy, the Consumer Product Safety Committee's (CPSC) initiatives in the chronic hazards area, protection of the special needs of small business, implementation of the Toxic Substances Control Act (TSCA) and cancer policy, and proposals to reduce inflation and reorganize government.

Major activity in the early months of the second session of the 95th Congress focused on the long-awaited resolution of the proposed National Energy Plan and rescindment of the gas pricing stalemate. Of special interest to SPI members is language in the energy compromise which protects industrial process and

feedstock users from unnecessary curtailment of supplies by interstate pipelines.

In the regulatory arena, the CPSC adopted guidelines to establish policy and procedure for classification, evaluation, and regulation of workplace carcinogens. Also in the administrative agencies, the plastics industry is actively represented in the Environmental Protection Agency's efforts to implement the TSCA. The Washington Office continues to monitor EPA's Resource Conservation Committee activity in the area of product charges and beverage container deposits. The SPI has played a prominent role in the implementation of RCRA. EPA is kept aware of our plastics position and reminded of the sensitivity of the issues in this area as well as the impact of plastics on the nation's economy.

To effectively represent SPI members in Washington, the Washington-based Federal Government Relations Committee was expanded. Comprised of legislative and public affairs experts, the Committee is organized to provide liaison with Government policymakers. The Committee assists in coordinating the development of strategies for the presentation of SPI positions to Congress. As an arm of the SPI Public Affairs Committee (PAC), the Federal Government Relations Committee functions as the chief instrument for the implementation of PAC legislative priorities and policies in Washington.

NPE/79

Among its broad spectrum of promotional and service activities on behalf of the plastics industry, SPI's most spectacular effort is the National Plastics Exposition (NPE) conducted every three years. NPE/79 will be held June 18-22, 1979 in Chicago's McCormick Place.

NPE/79 is clearly slated to be the largest ever, with over 400 companies from all over the nation, as well as from Canada, Mexico, Europe, the Far East, and South America expected to participate. At the drawing this past April, 357 companies bid for exhibit space, representing a 20% increase over the 298 companies that made commitments for the last National Plastics Exposition in 1976—a new record at that time.

These exhibitors reserved 303,129 square feet of exhibit space, a 21% increase and another record when compared with the 251,000 square feet assigned at the space drawing for NPE/76. This also exceeds total space sold for NPE/76 of 291,000 square feet.

The phenomenal growth of the National Plastics Exhibition will be reflected in the first-time use of a third floor (the Concourse Level) for NPE/79, which will add 44,000 square feet of exhibit space. In addition to many former exhibitors having pledged their companies to increased space compared with their previous show participation, 58 companies that did not exhibit in NPE/76 have declared themselves for NPE/79. An interesting trend is noted in the resumed participation of a number of plastics resin producers.

Show week will include the Plastics Hall of Fame

Dinner and a National Plastics Conference with a slate of nationally known authorities from the Plastics Industry, government, research, education, and management, as well as from leading plastics-consuming markets. Important events in the Plastics Industry and significant influences from government and the marketplace will be examined closely.

While the attendance at this show is continuously growing (50,000 expected for NPE/79, compared with approximately 40,000 for the 1976 exhibit) statistics extracted from a post-1976 show survey shows a purchasing influence of \$17 billion dollars represented in the show audience—a real measure of success.



James R. Gibson, (center), vice president, marketing, Van Dorn Plastic Machinery Company, is congratulated by Ralph L. Harding, Jr. for having won first draw for preferred exhibit space at NPE/79.

Operating Units

SECTIONS



Attendance at many SPI meetings was up substantially during the past year

Eastern Section

Due principally to the opening of its new offices and expanded staff, the Eastern Section has achieved its three year objectives within the past year. Section membership has continued to grow and involvement has increased in the sixteen Eastern and Southeastern states which comprise the Section.

ECON III, the Section's third Annual Conference, successfully focused on government issues and included speakers from the Environmental Protection Agency and the Consumer Product Safety Commission, as well as some of the giants of industry.

A new chapter was formed covering the Greater New York Area. The Southern Chapter is undergoing administrative reorganization and expanding into new areas. An Eastern Chapter of the Moldmakers Division is forming and the Mid-Atlantic Chapter continues to grow.

Midwest Section

In the past year the section has redirected many of its objectives in support of state legislative action programs. A "Plastics in Minnesota Action Committee" is moving fast with the first state organized program of positive publicity about the plastics industry. Indiana is being organized along similar lines.

New chapters have started in Michigan with a one day mini-conference and plans call for three per year.

The section members have provided major input into the proposed Occupational Safety and Health Administration carcinogen regulations and actively opposed the labor reform bill.

New England Section

"Free Enterprise versus Taxes and Governmental Regulations" was the theme of Thirty-third Annual Conference, sponsored by the New England Section and held in New Hampshire in October with 300 people attending.

Recruitment of new members has been of paramount importance. Twenty companies joined SPI and the Section during the past fiscal year. The SPI Board of Directors approved funds for the Section to retain part-time services of an individual to continually work on membership matters.

The Section instituted, on a periodic basis, a policy to disseminate information on the New England plastics industry to editors of the daily papers in the six New England states.

Western Section

The Western Section conducts an annual conference for its members in the 14 Western states each spring. The 1977 conference, held May 4-6, was highly successful, with over a thousand attendees, including wives. In addition, five active chapters spread throughout the region hold frequent meetings in northern and southern California, the Pacific Northwest, the Southwest, and the Rocky Mountain area.

Members of the Pacific Northwest Chapter were instrumental in organizing the independent Model State Program. At the committee level, the Section continues to be active in combustibility, education, international commerce, personnel and industrial relations, scholarships, and a speakers bureau.

DIVISIONS

Epoxy Resin Formulators Division

The Technical Committee continues to be the backbone of the Epoxy Resin Formulators Division. The increasing scope of government regulation occupies the full attention of the Committee. Recent activities include a review of the Toxic Substances Control Act's Inventory Reporting Requirements, including Trademark Reporting, as they relate to the formulator; a review of the Department of Transportation and other transportation regulations on shipping and labeling epoxy products; and preliminary development of guidelines for preparing OSHA Form 20 Material Safety Data Sheets.

Expanded Polystyrene Division

The first student scholarship program for new design and application was launched and 65 entries received. Six students were awarded scholarships.

While continuing work on hazard analysis of products used in construction, a whole new area of activity has developed. The Federal Trade Commission, several other Federal agencies and numerous states have introduced programs aimed at protecting the consumer from false claims of insulation performances. Because of the data available from round robin testing, this Division has been able to provide positive input and guidance in the development of these regulations.

Next step is the consolidation of all data into a "white paper" addressing the performance characteristics.

Foam Cup and Container Division

Highlights of the Foam Cup and Container Division Public Relations Program during the past year included the development of a major environmentally-oriented position paper, explaining the positive contribution of the industry to consumers' preferred life style, and answering concerns about energy use and litter. The project also included plans for member company representatives to be available for media interviews and community group meetings to present material from the position paper. Another highlight was the completion of a cooperative test program with a major fast-food chain, featuring an educational comic-coloring book with an anti-litter message.

Foam Tray and Carton Division

With the primary thrust of this Group's efforts aimed at preventing discriminatory state and local legislation against foam meat trays, the highlight of the past year was the significantly improved legislative climate resulting from members' strong efforts. Past work has been highly successful in cooperation with the SPI Public Affairs Committee. The Division members have now decided to investigate the need for new programs, predominantly in the marketing and customer education areas.

Fluoropolymers Division

The Fluoropolymers Division held an Annual Conference and a Semiannual Division Meeting as well as a number of Technical Committee meetings in fiscal 1977-78. A highlight was the Annual Meeting and Conference in April, which included presentations on "New Materials," "Fluoropolymers Overseas," "Environmental Considerations of Fluoropolymers," and a report on the "National Institute of Occupational Safety and Health Recommendations for Fluorocarbon Processors Involving the Workplace and Exposure to Decomposition Products of Fluoropolymers."

Technical activities of the Division include the preparation of recommended procedures of quality testing of fluoropolymer coatings and linings. A yearly statistical program on production and sales of fluoropolymer resins is of definite value to Division members.

Furniture Division

A combined Plastics-in-Furniture Conference and Poly Award Presentation was held.

One hundred fifty furniture industry members attended the intensive two-day Conference held in November 1977 in Charlotte, North Carolina. The theme of the Conference was "Furniture—A New Focus." The purpose of the Conference was to provide key furniture people with a better understanding of how plastics can offset rising wage costs, reduce energy consumption, and lead to higher profits.

The Poly Awards, which were presented in conjunction with the Conference, honored significant contributions individuals, companies, publications, and products made to the use of plastics in furniture.

M. L. Sagenkahn, of Shell Chemical delivered the feature presentation, "Energy and the Furniture Industry."

A great deal of publicity resulted and the Conference has been credited as contributing to the upswing in the plastics furniture market.

Machinery Division

During the past fiscal year, the Machinery Division, through the American National Standards Institute, had its recommended safety standard on care, construction, and use of horizontal injection molding machinery officially established as ANSI B151.1. Preparation of 24 additional recommended safety standards on various types of plastics processing machinery is underway.

The Division cosponsored three Product Liability Seminars in various areas of the U.S. to educate machinery manufacturers and processors on this important problem. The Division is now in the process of creating a data bank of legal precedence on product liability matters for the use of Division members. This information will be updated on a yearly basis.

The Division recommended to the SPI Board of Directors approval of a Products Liability Committee under the Public Affairs Committee. The Committee is comprised of five representatives from each of the following groups: material companies, processing companies, and the Machinery Division.

The Division also established a Consensus Committee to consider comments from processors and machinery manufacturers on proposed safety standards. Sixteen new companies joined the Division bringing its total membership to 144 member companies.

Molders Division

The Molders Division published a "Directory of Molder Services" listing all members' capabilities, equipment sizes, and specialties. This information did not exist in any of the many commercial directories published.

The Division held its first annual conference in February 1978 and is planning the second.

Subcommittees of the Division are Cutlery and Melamine Dinnerware. The Cutlery Group has developed a statistical program and is now addressing en-



SPI's Furniture Division presented Poly Awards in recognition of outstanding contributions to the use of plastics in furniture. Armstrong Furniture Company, Appomattox, Virginia, received an award for design excellence and innovative manufacturing techniques (left). SPI also held a New Product Design Competition at the Sixth Annual Structural Foam Conference. First place honors were awarded to Grumman Flexible Corporation for a cantilevered polycarbonate seat for the firm's new Model 870 city transit bus.

environmental issues on disposables.

The Melamine Dinnerware Group successfully introduced its new line of dinnerware at the January Housewares Show with a press breakfast and exhibits. Good coverage has been obtained in the trade press.

Moldmakers Division

To improve communications, the Moldmakers Division conducted a series of Molder-Moldmaker panel discussions across the country. Out of these discussions a new mold quotation form was developed to better define requirements. Over 20,000 forms have been distributed since publication.

A mold classification guide was written, defining types of mold construction and anticipated performance. The Division continues its active participation in the development of new apprentice curriculum in cooperation with the Society of Plastics Engineers, the National Tool, Die and Precision Machining Association, and the Tool and Die Institute.

Organic Peroxide Producers Safety Division

The Division directed many of its efforts towards new and better test methods and classification of organic peroxides into a system being developed by the National Fire Protection Association. Three Committees were established and are working to design large-scale burning test procedures.

The Division established a Committee to work on detonation testing. To date, an outside testing organization has made tests on several products. The Division is planning further large-scale lagoon tests in cooperation with the Bureau of Mines.

Cooperation is planned with European and Japanese producers who are interested in new test methods development and large scale fire tests. Close cooperation with the Department of Transportation is ongoing, especially in providing technical information and advice on organic peroxide for the U.S. Representative to the United Nations.

Continuing programs include The Toxicological Data Bulletin, which was updated and will be reissued, and the Worldwide Literature Survey on Organic Peroxide Toxicity, which was approved in principle and will be issued next year.

The Plastic Bottle Institute

During the past year, the PBI conducted a highly successful public relations program. Aimed at educating newspaper and television representatives on the positive and beneficial role

of plastic bottles, the message also factually answered concerns about plastic bottles and health, safety and solid waste. PBI member sockmen visited 22 cities and interviewed 108 media representatives. Twenty-nine thousand copies of a brochure entitled "Facts about Plastic Bottles" were distributed through members' efforts to employees and influential community groups. During the coming year, greater emphasis will be placed on meeting with educators and environmental groups.

Plastics Pipe Institute

Expansion of the many markets for plastics pipe is reflected in the increasing involvement of the Plastics Pipe Institute in governmental and professional activities. The Fuel Gas Division developed support for a proposal sponsored by the American Society of Mechanical Engineers concerning the use of plastic pipe in gas distribution systems.

The Large Diameter Polyolefin Piping Division engaged a consultant to establish cost and practical service life of repairs involved in sewer relining. The Division developed a related audio-visual slide presentation and a supporting brochure for presentation to local, state, and federal environmental protection agencies. The Technical Advisory Committee continues to offer expertise and considers technical problems common to all Divisions.

PPI plans to pursue several avenues with other associations; for example, to work with the Extrusion Division of the Society of Plastics Engineers to provide a program on plastic pipe and fittings. Another program being planned is a joint seminar with the American Society of Chemical Engineers on buried plastic pipe.

PPI is currently involved in the possible development of a Polyolefin Piping Manual, the establishment of a policy on fire sprinklers, and roadway drainage piping and piping material selection.

Polymeric Materials Producers Division

At its April meeting, the Board of Directors approved the formation of this new Division, made up of the basic resin suppliers of the industry. By vote of the prospective members of this Division, appropriate by-laws have been approved and an organizational meeting will be held in early September.

Profile Extruders Division

The Standard developed by the Profile Extruders Division, "Specifications

for Rigid Polyvinyl Chloride (PVC) Interior Profile Extrusions" was approved by the American Society for Testing Materials.

The Division published a booklet "Practices of Plastics Custom Extruders" which incorporates a glossary of extrusion terms. The booklet, which is an historical report on the engineering, technical and other practices of custom extruders, is in great demand.

A Window and Door Committee was organized and has undertaken the development of standards for this comparatively new product. A combined conference with the Vinyl Siding Products Division is covered in the report on that Division.

Reinforced Plastics/Composites Institute

During SPI's 1977-78 fiscal year, the reinforced plastics industry set a new record, edging over the two-billion-pound mark in shipments. While each of the nine market categories recorded gains, automotive uses of reinforced plastics accounted for most of the surge in growth. SPI's RPI-C Institute Annual Conference program in February reflected this high-profile development by emphasizing "Automotive Day" during its week-long meeting.

Full-time activity in the occupational health area has laid the groundwork for major advances in promoting a rational approach to controls on the manufacturing work environment. With consulting services of health service professionals, the RPI-C Institute conducted studies of workplace effects on workers' health, and is preparing a report on engineering controls which will be needed to cope with new Federal standards.

Among the many programs of the RPI-C Institute's eleven product committees, the panel council has organized a major promotional effort in its solar collector, greenhouse, and sign markets. Activities include institutional advertising, booths at the Original Equipment Manufacturers trade shows, and the tailoring of performance standards to each of these market segments.

Rigid Plastic Container Division

The regular technical programs of the Rigid Plastic Container Division continued to result in substantial progress during the past year, and included publication of a Standard Practices Manual for Injection Molded Containers. This will be of considerable assistance to injection molder members in educating customers and prospects on the versatility of rigid plastic containers. In ad-

The Financial Management Committee stated the publication of its "Financial Management Manual for Plastics Processors," a four-volume, loose-leaf publication Volume I covers Manufacturing Cost Control Principles and Volume II has to do with Cost Estimating and Pricing Factors for Consideration. The third volume centers on Planning. The fourth volume covers Materials Management with special emphasis on purchasing, sales order processing.

Financial Management Committee

The CRS updated and expanded its "Government Manual: Sources of Plastics Statistics and Other Information from Selected Federal Agencies." The CRS updated and expanded its rate measurement of resin consumption by major markets today. This statistical survey of U.S. resin producers is believed to be the most accurate of its kind. Annual Major Markets Survey of the Committee published the results in the immediate period ahead. Program, lying in the U.S. market place U.S. Consumption of Plastics Resins. The CRS inaugurated an Apparent five-year sales forecasting program. Trade Commission to proceed with its awaiting approval from the Federal Statistics is

Statistics Committee on Resin

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The Committee on Distribution serves a dual function as an SPI service committee and as a vehicle for the exchange among distribution professionals of such information as the modes of land transportation, marine distribution, containerization, hazardous materials regulations, distribution performance measurement methods, inventory management, the organization of the distribution function, and tank and hopper car use. An innovation in service to members was alerting SPI members to new De-

Committee on Distribution

COMMITTEES

The Division approved a combustibility testing program on various types of structural foam products which will provide important technical data in this area. Formerly the Cellular Plastics Division, the Urethane Division completed its first year of operation with a membership of 44 companies. The Division inaugurated a comprehensive publicity program on High Resilience Urethane Bedding, received approval from the Association of Bedding and Law Officials to use a label entitled "High Resilience Urethane Foam" on bedding manufactured from this material, and prepared and disseminated additional guidelines for

Urethane Division

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Structural Foam Division

The Division approved the sponsorship of a Financial Management Seminar which will be conducted by Ernst & Young on financial matters of specific interest to custom sheet producers. The Division plans to expand its statistical program to include information on regional sales and classification of applications. Financial Management of Business Sheet Producers

Management Division

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Vinyl Siding Products Division

The Division conducted a self-funded public relations and marketing program in the Chicago area to promote vinyl siding. Over 600 siding contractors attended three seminars at which presentations were made on the advantages of vinyl siding. On the technical side, combustibility testing of vinyl siding was undertaken in cooperation with the EPS Division. The Technical Committee is continuing its work on an ASTM Standard, and Weatherability data is being collected and analyzed.

Vinyl Dispersions Division

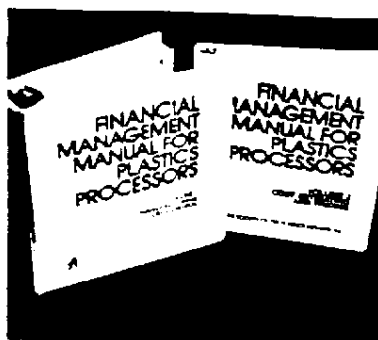
The Division also assigned a Code Advisory Group which will give attention to the incorporation of the product evaluation of urethane foam in the four major coding codes as well as "general" and state code codes. Several coding programs on rigid urethane foam at Factory Mutual Research Corporation and underwriters Laboratories were completed during the last year.

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Publication of a four-volume "Financial Management Manual for Plastics Processors" was started with volumes I and II.

production scheduling, and inventory control techniques. Each of the volumes will be introduced through a series of two-day, in-depth Financial Management Workshops in central cities throughout the country.

Recognizing the growing trend toward in-house or captive plastic processing operations by some of the larger manufacturing concerns in the U.S., the Committee is planning on developing statistical surveys, educational conferences and information data banks to service this segment of the industry.

The Committee conducted its Annual Labor and Financial and Operating Ratio Surveys among plastics processors and plans are proceeding to finalize the biennial Salary Survey.

Food, Drug and Cosmetic Packaging Materials Committee

With an increasing volume of Federal regulations and other activity impacting on plastic food packaging, this service Committee expanded its meeting format to include and react to the greater member need for information. Highlights of the year were highly successful and well-attended Subcommittee workshop sessions during the winter meeting, which covered Drug Packaging Materials, Foreign Packaging Regulations, and Technical Regulations, and a very popular and highly informative seminar held in conjunction with the summer meeting. The seminar featured three key officials of the Food and Drug Administration.

International Committee

The International Committee inaugurated a video catalog exhibition to go to Tehran, Iran; Baghdad, Iraq; Damascus, Syria; and Thessaloniki, Greece in October 1978. The Committee also

worked on additional videotape exhibitions in the interest of expanding international trade for SPI members.

The Committee organized the first SPI-sponsored Trade Mission and Technical Seminar to Moscow and Leningrad, U.S.S.R., scheduled for October 1979. Discussions were begun regarding a Technical Seminar/Trade Mission to the Peoples Republic of China.

In conjunction with the U.S. Department of Commerce, the Committee worked on cosponsorship of a U.S. stand at the International Trade Fair for Plastics and Rubber in Dusseldorf, West Germany, in October 1979.

Continuing work of the Committee involves development of plans for all aspects of international visitors' attendance at the National Plastics Exposition (NPE) in Chicago in June 1979.

The Committee was also active in dealing with changes in the import and export commodity classification system. These revisions are part of an overall attempt by the U.S. Government to harmonize U.S. trading practices with those of our trading partners in the continuing world trade negotiations. Some members of the International Committee are personally providing technical expertise to the U.S. negotiators through a Plastics Industry Advisory Committee.

Membership Development Committee

Membership in SPI increased in the 1977-78 fiscal year from approximately 1230 companies to a membership of over 1270. Recognition by the SPI's Operating Units and Section Officers of their vital role in promoting membership had a positive effect on SPI's success in this area.

Recognizing the importance of publicizing the names of new members of SPI, the Membership Department was successful in its efforts to have a monthly announcement of new members published in the *Journal of Commerce*, in addition to *News Briefs*. The Department rewrote two pamphlets, "What's in it for me as a member?" which explains the benefits of membership in SPI and "Now that I'm a Member..." which explains the various activities of SPI so that a member can obtain the maximum benefit. Total membership is now 1413.

Plastic Beverage Container Group

This group expanded its function to include positive action against mandatory deposit (on beverage containers)

legislation wherever it is proposed. Its goal is to establish governmental and public acceptance of plastic bottles for carbonated beverages.

Ad Hoc Plastic Microwave Oven Cookware Committee

In the relatively short time since its inception in November 1977, this group, which has benefited from the participation of a variety of interested parties in the plastics microwave cookware field—cookware and microwave oven manufacturers, resin suppliers, retailers, and home economists—has addressed a critical issue of product safety, the so-called "hot pad" situation. It has developed and issued cautionary label recommendations to be used by manufacturers on their products to warn the consumer against possible misuse, established liaison with other interested parties, agreed on criteria for minimum product performance standard development. Work on establishing relevant test methods is well under way. Development of a program for consumer education on the use of plastic microwave cookware has been initiated.

Appliance Council

The Council continues to work with members of the Housewares Manufacturers Group in furthering the interest of the plastics microwave oven cookware industry. The Council also monitors regulatory activity relating to plastic appliances and alerts members to threatening legislation.

Housewares Manufacturers Group

The Group monitors standards and regulations and prepares testimony on behalf of plastics housewares manufacturers for presentation to Government agencies.

Traffic Committee

A major Committee effort has been directed toward ensuring reasonable rail rates on a wide range of containers, dinnerware, and related items. Increases in the range of 30% were first proposed by the Eastern carriers and SPI opposed the proposal. While the Eastern Railroads adopted their original proposal, the Committee has successfully prevailed upon the rail carriers outside of the East to take an adjustment of no more than 10%. The Eastern Railroads have not yet published their increases in tariff form, however, when this does occur, the Committee is prepared to protest to the Interstate Commerce Commission.



During the past year, the Plastic Bottle Institute conducted a highly successful public relations program aimed at informing media representatives of the beneficial role of plastic bottles (left). These plastic pipe fittings (right) weigh one-sixth as much as metal fittings. Expansion of markets for plastic pipe is reflected in the increasing number of PPI programs.

SPECIAL PURPOSE GROUPS

Plastics in Construction Council

This year the Council's six active code committees joined together to hold an Annual Meeting in Chicago on topics of general concern. Since each product within the Construction Council's scope has some relation to fire safety and products of combustion standards, the national experts in those fields comprised an open exchange panel. The dialogue with industry members was progressive and mutually informative.

The most active Committee within the Council—insulation—turned the corner in its model building code problems last year. This year has been one of viewing codes as an opportunity, since national standards and even local ordinances now take into account the benefits of foam plastics for fuel and energy conservation. The Committee's "field representatives," comprised of member-company experts on polystyrene and polyurethane, now appear regularly in state and city council hearings to describe the benefits of proper use of these materials.

In an example of how SPI operating units cooperate, the Council considers one of its main achievements this year to be its implementation of SPI's Fire Policy. This top-level mandate from the Board of Directors has enabled the Plastics Industry to show the construction market and regulators that it is in a leadership position in trying to reduce

human and property loss through fire. Each of the Council's Committees has rated itself according to the Policy's six-point analysis, then described its evaluation to the product users and the public.

Plastics Drum Institute

During 1977-78, the Plastics Drum Institute held four meetings to give attention to Federal and state regulations affecting the use of 55-gallon plastic drums in transporting products in interstate commerce. The members approved three technical bulletins on dimensions and tolerances for drum openings. The Institute formally petitioned the U.S. Department of Transportation for incorporation of 55-gallon drums in its Specification 34 which authorizes use of various types of containers. The Institute also petitioned the Occupational Safety and Health Administration, requesting an amendment to existing regulations to permit plastic drums to be used for flammable liquids in capacities up to 55 gallons. At its Annual Meeting in April, the Institute approved a resolution to consider inviting material supplier companies to join the group.

Polystyrene Safety Group

A Polystyrene Safety Group Bulletin entitled "Fire Safety Guidelines for Polystyrene Kitchen Cabinet Doors"

was published and distributed. Combustibility testing of a living room containing polystyrene furniture was completed. Another objective of the Group is the investigation into occupational exposures and environmental discharges during the extrusion and injection molding of polystyrene.

Plastics Packaging Strategy Group

The goal of the Plastics Packaging Strategy Group, a support unit of the Public Affairs Committee, is to defend against attacks on the consumers' freedom of packaging choice and against external action that poses a special threat to plastics packaging. During the past year, PPSG funded and administered a successful court challenge against Minnesota's ban on non-returnable plastic milk containers. Although the State of Minnesota is appealing the court's decision, the beneficial ramifications of this win have been widespread. PPSG is continuing its efforts for revocation of the ban on plastic beverage containers in Hawaii which is scheduled to go into effect on 1/1/79.

PPSG agreed to fund an SPI Ad Hoc Plastics Packaging Risk Assessment Committee to gather toxicological, epidemiological, exposure data on a representative plastics packaging material for the purpose of preparing a comprehensive assessment of the risk associated with packaging materials.

Financial Statements

Balance Sheets

May 31, 1978 and 1977

	1978	1977
Assets		
Cash in checking accounts and on hand	\$ 6,433	\$ 3,999
Savings deposits	18,796	1,047,857
Short-term investments, at cost (which approximates market)	3,053,273	2,594,033
Receivables:		
Membership dues, less allowance for doubtful accounts, 1978, \$19,021, 1977, \$18,338	4,675	2,449
Accrued interest	58,879	21,343
Other	17,260	19,446
Prepaid expenses and other assets	16,033	12,445
Deferred charges—1979 National Plastics Exposition	310,018	—
Fixed assets:		
Furniture and equipment	158,382	114,115
Leasehold improvements	72,440	72,440
	230,822	186,555
Less accumulated depreciation and amortization	57,400	36,560
	173,422	149,995
Total assets	\$3,658,789	\$3,851,567
Liabilities and Fund Balances		
Liabilities:		
Cash overdraft	\$ 47,942	\$ 26,107
Accounts payable and accrued expenses	487,871	577,084
Unearned membership dues	57,154	33,099
Deferred revenue—1979 National Plastics Exposition	73,845	—
Total liabilities	666,812	636,290
Fund balances:		
General fund:		
Unappropriated	323,161	286,632
Appropriated (note 6)	1,495,286	1,702,528
	1,818,447	1,989,160
Special projects funds	1,173,530	1,226,117
Total fund balances	2,991,977	3,215,277
Total liabilities and fund balances	\$3,658,789	\$3,851,567

See accompanying notes to financial statements

Statements of Revenues and Expenses

Years ended May 31, 1978 and 1977

	1978	1977
Revenues		
Membership dues	\$3,785,235	\$3,334,083
Interest	254,959	194,551
Sales of literature	55,294	64,739
Special projects	2,834,494	2,355,161
Other	29,071	23,287
	6,959,053	5,971,821
Expenses		
Direct:		
Membership services:		
Legal and consulting	476,235	430,868
Communications (public relations)	84,422	80,282
Administrative	124,406	98,645
Membership promotion	32,209	33,156
Directory	18,560	19,186
Special projects—research, development, legislative and public relations	2,834,494	2,355,161
Service operating units	162,819	154,058
Divisions and groups	73,747	71,426
Regional offices	159,443	131,342
Public affairs committee	1,396,567	1,406,719
Chemical Industry Trade Advisor	2,000	3,000
Plastics Education Foundation	6,357	8,475
Accounting Manual	50,000	—
Indirect program, administrative and general:		
Salaries and employee benefits	1,316,229	1,164,591
Office supplies and expenses	278,832	215,746
Rent	115,299	103,417
Auditing and computer services	57,570	57,289
Provision for depreciation and amortization	20,840	19,340
Provision for doubtful accounts	8,355	9,677
Other	49,508	39,311
	7,267,892	6,401,689
Less allocation of administrative expenses to National Plastics Expositions	150,000	240,000
	7,117,892	6,161,689
Excess (deficiency) of revenues over direct and indirect expenses	(158,839)	(189,868)
Product liability expenses	(11,874)	(11,405)
1976 National Plastics Exposition revenues, net of related expenses of \$1,587,418	—	575,596
Excess (deficiency) of revenues over expenses	\$ (170,713)	\$ 374,323

See accompanying notes to financial statements

Statements of Changes in Fund Balances

Years ended May 31, 1978 and 1977

	1978		1977	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year	\$1,989,160	\$1,226,117	\$1,614,837	\$ 684,875
Excess (deficiency) of revenues over expenses	(170,713)	—	374,323	—
Special projects funds additions:				
Assessments	—	1,877,860	—	2,143,418
Meetings and conferences	—	655,720	—	462,999
Sales of literature	—	119,383	—	71,077
Contributions in support of special programs	—	115,540	—	194,302
Budgeted general fund appropriation	—	150,000	—	68,103
Other	—	8,062	—	6,504
Special projects funds transferred to general fund revenues and expended	—	(2,834,494)	—	(2,355,161)
Appropriated funds expended	—	(144,658)	—	(50,000)
Balances at end of year	\$1,818,447	\$1,173,530	\$1,989,160	\$1,226,117

See accompanying notes to financial statements

Notes to Financial Statements

May 31, 1978 and 1977

(1) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Certain 1977 amounts have been reclassified to conform to the current year's presentation.

Other significant accounting policies are set forth in the financial statements and the following notes.

(2) Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1978 and 1977 aggregated \$90,243 and \$110,250, respectively. Unfunded past service costs amounted to \$59,726 at August 31, 1977, the most recent plan valuation date. Such costs are being amortized over a ten-year period. At August 31, 1977, the assets of the fund exceeded the present value of the participants' vested benefits.

(3) Products Research Committee Funds

Effective December 3, 1974, the Society executed a consent order with the Federal Trade Commission which required, among other things, the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The research is being funded over a five-year period by various other respondents to the FTC proceedings. The Society is custodian of the Committee's funds and, at May 31, 1978, held \$1,991,823 (\$1,426,771 in 1977) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

(4) Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgements for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

(5) Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1979	\$136,611
1980	130,518
1981	117,840
1982	107,500
1983	107,500
1984-1985	<u>206,042</u>

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$107,500 per year. The lease expires in 1985; however, the Society has the option to terminate such lease as of April 30, 1980 upon payment of an additional option fee of \$140,000.

Certain leases are subject to escalation provisions based on real estate taxes.

(6) Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	1978	1977
Capital improvements	\$ 29,425	\$ 5,736
Product liability	26,721	38,595
Other	<u>1,439,140</u>	<u>1,657,137</u>
	<u>\$1,495,286</u>	<u>\$1,702,528</u>

Auditors' Report

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

345 PARK AVENUE

NEW YORK, NEW YORK 10022

The Board of Directors

The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1978 and 1977 and the related statements of revenues and expenses and of changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1978 and 1977 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 7, 1978

Peat, Marwick, Mitchell & Co.

Officers and Directors 1977-1978

OFFICERS

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East Longmeadow, Massachusetts

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Hawthorne, California

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Industry, California

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Cincinnati, Ohio

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Dana Molded Products, Inc.
Arlington Heights, Illinois

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Houston, Texas

PLASTIC BOTTLE INSTITUTE

WILLIAM J. GRAHAM

Owens-Illinois, Inc.
Toledo, Ohio

PLASTICS PIPE INSTITUTE

GERARD R. QUINN

U-Brand Corp.
Ashland, Ohio

PROFILE EXTRUDERS

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Piscataway, New Jersey

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COMPOSITES INSTITUTE

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Warren, Michigan

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PAUL TROW

Dart Industries
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Upjohn Co.
North Haven, Connecticut

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Waukesha, Wisconsin

VINYL SIDING PRODUCTS

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GAF Corp.
New York, New York

DIRECTORS AT LARGE

Term expires May 31, 1978

T. E. BRANSCUM

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Cincinnati, Ohio

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Toledo, Ohio

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Cleveland, Ohio

EDWARD G. SLATCHER

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Wilmington, Delaware

Term expires May 31, 1979

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F. REED ESTABROOK, JR.

Duval Corporation
Dedham, Massachusetts

JACK G. FULLER, JR.

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Berlin, Connecticut

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Chicago, Illinois

Term expires May 31, 1980

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Lake Oswego, Oregon

RICHARD W. GOODRUM

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Baton Rouge, Louisiana

WILLIAM H. GUTHRIE

Phillips Petroleum Co.
Bartlesville, Oklahoma

KENNETH F. SCHOEN

Norco Plastic Division
of The Valspar Corp.
Milwaukee, Wisconsin

L. WILLIAM SESSIONS

American Can Co.
Greenwich, Connecticut

R. PETER TOOHY

Shell Chemical Co.
Houston, Texas

Officers and Directors 1978-1979

OFFICERS 1978-1979

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Package Machinery Co.
East Longmeadow, Massachusetts



VICE CHAIRMAN
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E. I. du Pont de Nemours & Co., Inc.
Wilmington, Del.

SECRETARY
LOVERN A. NIEDFELDT
Technical Plastics Corp.
Santa Cruz, California



TREASURER
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Eastman Chemical Products, Inc.
Kingsport, Tennessee

IMMEDIATE PAST CHAIRMAN
STANFORD H. SHAW
Shaw Plastics Corp.
Berkeley Heights, New Jersey

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PMS Consolidated
Somerset, New Jersey

MIDWEST SECTION
ROBERT L. SLAUGHTER
Anchor Brush Co., Inc.
Mornstown, Tennessee

NEW ENGLAND SECTION
JOSEPH F. O'BRIEN, JR.
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WESTERN SECTION
ROBERT POET
Vistron Corp.
Hawthorne, California

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Thermoset Plastics, Inc.
Indianapolis, Indiana

EXPANDED POLYSTYRENE
J. MICHAEL MURRAY
EPS Industries, Inc.
Wichita, Kansas

FLUOROPOLYMERS
WILLIAM J. HUBER
The Duriron Corp.
Dayton, Ohio

FOAM CUP & CONTAINER
WAYNE W. THOMPSON
Owens-Illinois, Inc.
Toledo, Ohio

FOAM TRAY & CARTON
ROBERT M. WOOD
Mobil Chemical Co.
Macedon, New York

FURNITURE
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Greenville, South Carolina

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Hoover Universal, Inc.
Saline, Michigan

MOLDMAKERS
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Burton Tool & Die Co., Inc.
Leominster, Massachusetts

MOLDERS
DANIEL P. HIDDING
Dana Molded Products, Inc.
Arlington Heights, Illinois

NATIONAL PLASTICS EXPOSITION
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Pennwalt Corp.
Philadelphia, Pennsylvania

ORGANIC PEROXIDE
PRODUCERS SAFETY
ORVILLE L. MAGELI
Pennwalt Corp.
Buffalo, New York

PLASTIC BEVERAGE
CONTAINER
PERCY N. STONE
Continental Plastic
Beverage Bottles
Stamford, Connecticut

PLASTIC BOTTLE INSTITUTE
WILLIAM J. GRAHAM
Owens-Illinois, Inc.
Toledo, Ohio

PLASTICS PIPE INSTITUTE
IVAN K. DeBLIEU
E. I. du Pont de Nemours
& Company, Inc.
Wilmington, Delaware

PROFILE EXTRUDERS
ADOLPHE J. de MATTEO
Thiex Plastics Corp.
Piscataway, New Jersey

POLYMERIC MATERIALS
PRODUCERS
WILLIAM E. KENNEL
Amoco Chemicals Corp.
Chicago, Illinois

REINFORCED PLASTICS,
COMPOSITES INSTITUTE
JAMES S. HEARONS
Owens-Corning
Fiberglas Corp.
Toledo, Ohio

RIGID PLASTIC CONTAINER
DONALD R. WENZ
Dart Industries
Ludlow, Massachusetts

SHEET PRODUCERS
MANAGEMENT
LEO R. FLEMING
Alma Plastics Co.
Alma, Michigan

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DOUGLAS I. HANSON
Hanson Pattern & Mold Corp.
Ludlow, Massachusetts

URETHANE
WILLIAM C. DARR
Mobay Chemical Corp.
Pittsburgh, Pennsylvania

VINYL DISPERSIONS
ERNEST E. McCLELLAN
Plast-O-Meric, Inc.
Waukesha, Wisconsin

VINYL SIDING PRODUCTS
WILLIAM P. HAMMOND
GAF Corp.
New York, New York

DIRECTORS AT LARGE

Term expires May 31, 1978
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Cincinnati, Ohio

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Hercules, Inc.
Wilmington, Delaware

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EDWARD G. SLATCHER
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Wilmington, Delaware

Term expires May 31, 1979

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Berlin, Connecticut

GEORGE H. KAULL
Premix, Inc.
North Kingsville, Ohio

RALPH M. WINTERS
Amoco Chemicals Corp.
Chicago, Illinois

Term expires May 31, 1980

RIPLEY W. GAGE
Gage Industries, Inc.
Lake Oswego, Oregon

RICHARD W. GOODRUM
Ethyl Corp.
Baton Rouge, Louisiana

WILLIAM H. GUTHRIE
Phillips Petroleum Co.
Bartlesville, Oklahoma

KENNETH F. SCHOEN
Norco Plastic Division
of the Valspar Corp.
Milwaukee, Wisconsin

L. WILLIAM SESSIONS
American Can Co.
Greenwich, Connecticut

R. PETER TOOHY
Shell Chemical Co.
Houston, Texas

Term expires May 31, 1981

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T. E. BRANSCUM
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Winfield, Kansas

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Evansville, Indiana

Staff



RALPH L. HARDING, JR.
PRESIDENT



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Plastic Packaging Strategy Group
Polymeric Materials Producers Div

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to the President
Secretary to the Board

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Committee on Distribution
Furniture Division
Housewares Manufacturers Group
Ad-Hoc Microwave Oven Cookware
Committee
Polystyrene Safety Group
Profile Extruders Division
Traffic Committee
Vinyl Siding Products Division

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Staff Director
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Health
Coordinating Committee on Consumer
Safety
Organic Peroxide Producers Safety
Division
PVC Meat Wrap Ad-Hoc Committee
Radio Frequency Heating Committee
Vinyl Dispersions Division

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Staff Director
Public Relations Committee

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General Manager

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National Plastics Exposition

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Staff Director
Committee on Resin Statistics
Financial Management Committee
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Plastics Pipe Institute

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Staff Director
Ad-Hoc Combustibility Safety Committee
PAC Technical Committee
PVC Safety Group
Plastics Resource Recovery and
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Plastics in Construction Council
Reinforced Plastics/ Composite Institute

ROBERT MALLIA
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JOHN MALLOY
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Foam Cup & Container Division
Foam Tray & Carton Division
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Material Committee
Plastic Bottle Institute
Plastic Jerry-Can Committee
Rigid Plastic Container Division

MAUREEN MIGDALEN
Assistant Staff Director

BERT S. MONTELL
Staff Director
Fluoropolymers Division
Machinery Division
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Sheet Producers Management Division
Structural Foam Division
Urethane Division
Vinyl Film Group

DEBORAH MULLON
Assistant to the Manager, Federal
Government Affairs

STAN MRUK
Technical Director
Plastics Pipe Institute

E.S. NUSPLIGER
Director of Public Affairs
Staff Director
Public Affairs Committee

AMY STRAVITZ
Office Manager

C. RICHARD TITUS
Manager, Federal Government Affairs

PAT TONER
Assistant Technical Director
Staff Director
Acrylonitrile Copolymers Product Group
Epoxy Resin Formulators
Ad-Hoc PET Study Group
Toxicology Committee

JOHN WEIGLY
Membership Director

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Manager, Midwest Section
Staff Director
Midwest Section
Moldmakers Division
Molders Division

MARGARET SHALLCROSS
Assistant Midwest Manager
Staff Director
Cutlery Manufacturers Group
Expanded Polystyrene Division
Melamine Dinnerware Group

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WAYNE V. BLACK
MARTIN W. BERCOVICI
PETER M. NEMKOV
JOSEPH E. HADLEY
JOHN S. DUBECK
JOHN S. ELDRED
DEBORAH S. TRINKER

DR. DANIEL S. DIXLER
DR. BRUCE W. MORRISEY
(Technical Consultants)

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New York, New York 10017
(212) 573-9400

MIDWESTERN SECTION

SPI-22185



ANNUAL REPORT 1978-79



SPI-22186

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Indianapolis, Indiana

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J. MICHAEL MURRAY
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FLUOROPOLYMERS
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PLASTIC BOTTLE INSTITUTE
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RP/C INSTITUTE
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Owens-Corning
Fiberglas Corp.
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RIGID PLASTIC CONTAINER
DONALD R. WENZ
Dart Industries
Ludlow, Massachusetts

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MANAGEMENT**
LEO R. FLEMING
Alma Plastics Co.
Alma, Michigan

STRUCTURAL FOAM
DOUGLAS I. HANSON
Hanson Pattern & Mold Corp.
Ludlow, Massachusetts

URETHANE
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Union Carbide Corp.
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Cincinnati, Ohio

JOHN E. PEPPERCORN
Gulf Oil Chemical Co.
Houston, Texas

JOHN H. SCHROEDER
Crescent Plastics, Inc.
Evansville, Indiana

Chairman's Letter

Our fiscal year ending May 31, 1979, was very successful, by every measure.

As described elsewhere in this Annual Report, this has been an active and productive year for all of our various sections, divisions, groups, councils, and committees. As with the industry it represents, SPI is a very diverse organization, with a great variety of interests, concerns, programs, and services.

Throughout 1978-79 there were extensive preparations for the June 18-22 National Plastics Exposition in Chicago. Although technically in the new fiscal year, this major event is being covered in this Report, rather than a year later. New records were set in the number of exhibitors (504), by the 47,500 attendees, up 20.8% from the 1976 show, and by the enthusiasm and optimism of everyone involved.

Our public affairs concerns continued to receive special attention, and progress was made all along the line by our Public Affairs Committee. With the "energy crisis" and feedstock availability emerging as the industry's largest problem, a special Energy Task Force was formed early in 1979. A special report entitled "The Energy Saver" is being widely distributed in order to document the essentiality of plastics. We are fully prepared to make certain that this industry continues to receive its full and fair share of available petrochemicals.

Further evidence of progress is the slow but steady growth in the number of companies which support SPI. A total of 140 companies joined us in 1978-79. However, for a variety of reasons, 106 companies resigned, resulting in a net total increase of 34. Total SPI membership now stands at 1400.

Because several income categories exceeded expectations, SPI achieved a net excess of income over expenses of \$242,122 during the 1978-79 fiscal year. These results, along with existing reserves, place your trade association in a very sound financial position.

During the past year, SPI has benefitted from much closer cooperation and liaison among the associations related to the chemical industry. We are delighted by the new programs of the Chemical Manufacturers Association and by their new spirit of openness and cooperation. We believe it is very important for SPI to be an active participant in the American Industrial Health

Council and in the Council of Chemical Associations.

Despite all the good news about SPI, this is no time for complacency. Not only the "energy crisis" but also a lot of the other environmental issues continue to demand our very best collective efforts. According to most economists, our country is heading into a recession, along with continued inflation. While industry sales were on a rising trend throughout the past year, we know that a turn-down is imminent. Both the industry and its association are prepared to cope.

Furthermore, we know that SPI itself must keep pace with the continuing and rapid changes within the industry. The present organization and Bylaws have remained largely the same for 10 years, and the dues structure has held firm for five years. As announced to the membership in the spring, your Board of Directors has appointed a special "Blue Ribbon Committee" of Past Chairmen and Treasurers to audit the organization and its policies and to seek improvements in the dues structure. This Committee, assisted by staff and by consultants from Ernst & Whinney, has concluded that more specific operational objectives are needed—clearer definitions of what SPI can and will cover effectively, within the limits of members' perceptions of what they are willing to pay. We don't expect the dues to be higher, but we believe they can be made more equitable.

Serving as your Chairman has been a challenging but worthwhile experience for me during the past year. I look forward to another year in this capacity with special pleasure because of the opportunity through the organization and dues study to help make SPI even better.

Having been active in this association and in the Society of Plastics Engineers for many years, I continue to be impressed by the number of industry leaders who are willing and able to help this industry progress. Those men serving on your Board of Directors volunteer a great deal of time and effort on your behalf. We have a very strong group of Officers and Directors, and I am grateful for their continuing support.

Two key men who completed their terms of office on May 31, 1979 deserve a special note of appreciation: L.A. (Red) Niedfeldt and F. Reed Estabrook, Jr. Red Niedfeldt served on our Board for a total of eight years, as a Director at Large, Treasurer, and Secretary. Reed Estabrook was with us for six years, with three years as Chairman of our Public Affairs Committee. Both were outstanding and tireless in their leadership.

I also want to congratulate Ralph Harding, Tom McGrath, and the entire SPI staff for their good work on our behalf. From close observation I know why the SPI staff is so highly regarded by their peers in the association field.

For every reason, I am very confident about the future of the plastics industry and its association. Whatever the challenges may be, we'll be ready.

Iver J. Freeman
IVER J. FREEMAN
Chairman



Mr. Freeman with Senator Edward M. Kennedy (Dem. - Mass.) at the SPI Annual Washington Meeting.

PAC Mobilizes Industry Resources

The Public Affairs Committee (PAC) is an SPI Board Committee formed, as stated in the Bylaws, to "provide leadership in mobilizing and coordinating the resources of The Society and its members for the most effective and economical handling of broad public issues affecting the plastics industry."

The Public Affairs Committee is by definition issue-oriented in organization and operation. Members of PAC are designated as Issue Coordinators. As such, their primary assignment is the observation, study and analysis of the issue in question, and the recommendation of programs and policies SPI should adopt in response to the issue. Assistance of an Issue Specialist (a member of the PAC Public Relations Committee), appropriate technical committees, outside counsel and SPI staff are available to him.

Activities of PAC

The activities of PAC are divided into three general areas—legislative/regulatory work, technical research and information programs.

Legislative surveillance includes monitoring every piece of legislation introduced at the Federal level, in the 50 states and in Puerto Rico. Hundreds of thousands of bills are examined during each biennium, analyzed for their specific impact on the plastics industry and—if they are directly pertinent to the industry—reported in PAC publications promptly and regularly. When action by the industry appears necessary, PAC is equipped to initiate whatever measures are called for—member participation, professional lobbying, liaison with other industries, written and oral testimony or others. Results for this year have been excellent—market opportunities for the products of the plastics industry have been kept intact.

Technical research is often required to establish the true values of plastics products and to refute some of the irresponsible charges made against them. The best technical expertise in the industry is organized under PAC to form the various committees that concern themselves with the technical aspects of the various issues that confront us. The overall objectives of all PAC technical activities is to provide the technical information that will educate and control those external influences that might otherwise restrict the market opportunities for plastics. This information is gathered from both internal industry sources and research projects financed by SPI and conducted under the direction of the PAC's technical committees.

Information programs have been developed for both industry and external audiences. The internal program strives to equip industry members with the material and enthusiasm needed to participate in a long range effort to inform and convince the external audiences of the value and essentiality of plastics. The external audi-

ences include Congress, state legislators, federal and state regulators, organized labor, environmentalists, print and electronic media and the general public.

Some of the elements of the internal program include a Speakers Bureau, prepackaged constituency seminars, regular placement of features in the plastics trade press, many issue-oriented publications and a new publication designed to motivate industry members at all levels of employment to become active in the promotion of the industry.

External action programs include a method for quick response to charges against the industry and various forms of communication of SPI's positions on the various issues. Also, during the year, an industry hallmark was developed (see cover and below) and testing of a series of TV commercials was begun.

For the first time in the history of the plastics industry a hallmark has been developed to reflect the tremendous diversity of the industry. The Plastics Industry Hallmark was selected as one which symbolizes many aspects of today's plastics—such as their strength, light weight, and versatility. The mark will be used by companies which supply plastic resins and films or make machinery/equipment chiefly for use in the plastics industry, as well as companies which manufacture plastics products to identify their use of plastics. The hallmark will be a major factor in developing public awareness of the plastics industry and its contributions to our society. The hallmark is a plastics industry, not an SPI, logo and is for use by both SPI members and nonmembers to promote the industry.

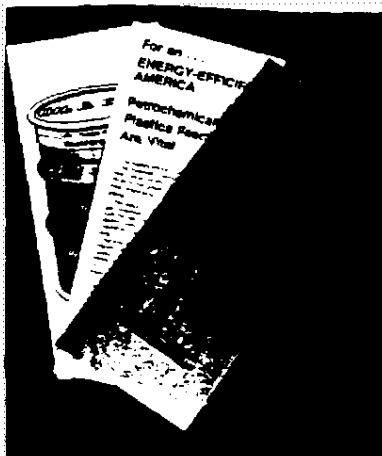
Issues

As we have said, the basic thrust of PAC activities is organized around public "issues." The following definitions of the principal issues confronting the industry and PAC's response strategies may be helpful to you in understanding PAC's charter.

Energy

The growing shortage of petroleum supplies has a direct impact on the manufacture of plastics, most of which are totally dependent on petroleum feedstock. These petrochemical feedstocks for plastics consume less than 1.5 percent of our annual supply of oil and natural gas. The availability of petrochemical feedstocks is being increasingly squeezed as the result of Environmental Protection Agency and Department of Transportation regulations changing the composition of gasoline. This situation will continue until new supplies of crude oil, new technology and new refining capacity become available. In the short term, however, actions that increase gasoline supplies can have an adverse impact on the plastics industry.

Although energy has been a PAC issue since the



Case studies which reveal how plastics conserve energy, and the importance of adequate supplies of feedstocks for the plastics industry are covered in these SPI publications. Effective communication of this information to industry members, the government, and the public is the major goal of the Energy Task Force in the immediate future.

1973-74 oil embargo, no specific action programs had been undertaken from then until the Spring of 1979. At that time an Energy Task Force was formed to develop appropriate programs. This Task Force has developed a statement of objectives and purpose: to mobilize the entire plastics industry in constructive efforts to assure the availability of adequate supplies of feedstocks, to articulate the essentiality of the plastics industry and its products throughout the nation's economy, to call for correction of regulations that discriminate against plastics and to identify the shifts in gasoline requirements which threaten the availability of feedstocks for plastics, and to coordinate our positions and strategies with other petrochemical/polymeric groups whose interests coincide with ours.

Programs supporting these objectives have involved the preparation of the basic position paper "Plastics and the Efficient Use of Energy" and the case studies which reveal how the use of plastics saves more energy than it consumes.

The effective communication of the information in these reports to members of the industry, the government and the public is the major goal of the Energy Task Force in the immediate future.

Combustibility

With the increasing national concern regarding life hazards and property losses due to fires there has been increasing attention given to the role of manmade materials in the built environment. Too frequently the characteristics of plastics are misunderstood at some stage in the chain of events from their design and manufacture through their use and involvement in actual fires.

SPI's involvement in fire issues has been long and varied. The fire performance of specific materials and products has often been handled by individual SPI divisions, e.g. the Urethane Division, the Reinforced Plastics/Composites Institute, the Plastics Pipe Institute and the Furniture Division.

The general fire issues of the industry have been followed by the Coordinating Committee on Consumer Safety (CCCS). SPI's role has been to provide an interface between plastics producers and processors, the fire community and the general public. The thrust of SPI's position in these activities has been to build an

accurate record of the hazards of plastics in fires and to encourage the industry to act responsibly. To reinforce the SPI's position on fire issues an ad hoc committee was organized in 1976 to review the association's activities and recommend what new actions, if any, should be considered. The outcome of this review was the development of the SPI Fire Safety Policy which was adopted by the SPI Board of Directors in 1977. This policy called for action by all SPI divisions which have materials or products which might be involved in fire situations. The steps to be followed called for hazard analysis and evaluation—to determine the potential for hazard; safe use actions—to promote standards making or information which would foster the safe use of plastics in areas of potential fire, and communication and advocacy—to be certain the role of plastics in potential fire situations is properly understood by regulators and other authorities.

As of the spring of 1979 it was reported that nine operating divisions had conducted some type of fire hazard analysis and issued some form of use recommendations based on these analyses. The responsibility of monitoring further work on such programs has been delegated to the CCCS.

Packaging

Strictly speaking "packaging" should not be considered an issue. However, it is treated separately because it bears the brunt of charges that are based on nearly all our issue areas. Solid waste, litter, energy, health, etc., are all used as reasons for restricting or banning plastics packaging of one sort or another.

Packaging is a highly visible form of litter. As such it is wrongly thought of as the major portion of our solid waste stream. Beyond that, the benefits of, and the necessity for, our system of convenience packaging has never been adequately or convincingly presented to the nation's thought leaders, including legislators. There has been nearly a decade of legislation and/or regulation aimed against the packaging industry. Plastics packaging has been a special target for legislative attack on the special grounds of being non-biodegradable and energy intensive.

The most common types of packaging legislation are: mandatory deposits on beverage (beer and soft drink) containers; bans on plastic beverage containers; bans on loop connectors that are not biodegradable; levies on items most commonly found in litter; bans on nonreturnable plastic milk bottles; establishment of authority to review and perhaps ban any new packaging introduced in a state, and bans on certain types of meat trays.

PAC uses its legislative monitoring and surveillance at state levels and the services of SPI's Washington Office at the Federal level, to keep track of this legislation. As necessary, SPI engages State Counsel to aid in and direct our legislative actions in response. Packaging legislation is reported to members through the monthly Legislative Bulletin, and beginning in February 1979 a report called "Friday Wrap-up," which covers legislation involving plastics packaging only, has been mailed each Friday to members with packaging interests.

SPI has responded differently to each type of packaging legislation, according to established priorities

and available resources. Specific activities of some of the SPI divisions have been instrumental in controlling these legislative activities and are reported in the following division reports: Plastics Packaging Strategy Group (p. 10), Plastics Beverage Container Division (p. 9), and Plastic Bottle Institute (p. 13).

Products Liability

In recent years increasing burdens have been placed on SPI members charged in liability cases with responsibility for injury, loss of life and loss of property. The result has been a heavy burden of legal expenses, liability payments and increased insurance costs.

SPI has been involved in the effort to bring some semblance of equity and justice to the area of products liability laws. Among other things, SPI has cooperated with the Task Force on Products Liability and Accident Compensation by submitting data concerning the adverse impact of recent trends in product liability law on members of the plastics industry. SPI, in cooperation with other organizations, has also been involved in the effort to seek fair and meaningful legislative reforms at the state level. It has also worked closely with Committees of the U.S. Congress in the national effort to achieve tax and other reforms aimed at helping industry to cope with the added economic burdens presented by the continued erosion of defendants' rights in the area of products liability.

In July 1978 a Products Liability Committee was organized under the auspices of the PAC. The role of the PAC's Products Liability Committee is to recommend policy on product liability. Essentially it makes recommendations to the Board through PAC on such items as: specific legislation relating to products liability and follow up as needed; insurance underwriting issues; the need for tort reform at the state level and the types of reform needed; educational programs (specifically, the products liability and products safety seminar); workman's compensation reforms, and such areas as industrial safety and occupational diseases.

In actions to date the Products Liability Committee has conducted five seminars to instruct members and gain industry support.

Resource Recovery and Conservation

Although plastics wastes form only 4 percent of the total municipal solid wastes generated in the United States, considerable concern has been expressed over the environmental damage and nonrecyclability attributed to plastics. The problems associated with plastics in the solid waste stream have been long and varied. With actions ranging from legislation to ban or tax the use of certain plastics products to charges of insults that plastics presumably contributed to the solid waste stream, the plastics industry has been a favorite whipping boy in the environmental arena. With the recent emphasis that the EPA has placed on resource recovery and conservation of materials, new pressures have been placed on plastics which suggest that the use of fossil fuels for the manufacturing of plastics is wasting a valuable resource for products which could be made of natural materials.

The 1971 New York City tax on plastics packaging provided the stimulus for the organization of SPI's Pub-

lic Affairs Council—the predecessor of the present Public Affairs Committee. This challenge which SPI was successful in having set aside through court action, provided a model for positive response by SPI on all solid waste issues.

The early formation of the Plastics Waste Management Committee provided a means of developing technical support for the industry's positions. A series of position papers and technical reports were developed under this committee's supervision including: Plastics and Sanitary Landfills, Plastics and Incineration, Reclamation, Recycling and Reuse of Plastics, Plastics and Degradability, Recycling Plastics, Resource and Environmental Profile Analysis of Plastics and Non-Plastics Containers and Impacts of Selected Plastics Products on the Quality of Life.

In 1976 the Plastics Waste Management Committee was renamed the Plastics Resource Recovery and Conservation Committee. The major objectives and responsibilities of this committee are the development, acquisition and aiding in the dissemination of data and technology; to demonstrate when the use of plastics products is in the public interest and results in societal benefit and overall net reductions in the use of resources and generation of wastes as observed; to promote resource recovery, reclamation, or reuse of plastics materials, and for proper ultimate disposal of waste plastics materials. Studies for use in our energy issue programs will be made in the area of energy conservation in the manufacture and use of plastics which are listed in the Resource and Environmental Profile Analyses (REPA).

Toxicity

Toxicity has become an issue in the plastics industry as a result of the increased industry, government and public awareness of the potential for adverse long term effects on health and the environment due to exposure to chemicals. Industry concern has been manifest by increased research on the toxic effects of chemicals. The enormity of the scope and cost of the data gathering effort has spurred the desire to develop cooperative programs within the industry. The increased public and government awareness has been manifest in laws such as the Toxic Substances Control Act (TSCA) and specific regulations such as the OSHA and EPA regulations of vinyl chloride.

SPI has responded to this issue through the PAC Toxicology Committee and the various Polymer/Monomer Safety Groups. The Toxicology Committee is the "generalist" committee in the areas of toxicology and health in the context of occupational and environmental exposure. The Toxicology Committee reviews, and when appropriate, responds to government-proposed generic policies on behalf of the plastics industry; provides stimulus and the means for the collection, review and dissemination of toxicity data on plastics and plastics precursors for industry-wide use and provides the opportunity for joint testing programs, and provides an organizational network through which self-funded specific interest, committees or groups can be organized, e.g. PVC Safety Group, ad hoc Epichlorohydrin Committee, Vinyl Acetate Task Force.

The PVC Safety Group was formed in 1974 to respond to the situations which developed and continued

to arise since it was learned that VCM had caused angiosarcoma in workers exposed to very high levels. In addition to vigorously commenting on the OSHA and EPA regulations for vinyl chloride, the group published papers on "PVC and Health" and "What Every Employee Should Know About PVC and What You Should Tell Others."

The AN Polymers Group was formed in 1977 to respond to an OSHA proposal to regulate acrylonitrile as a carcinogen which had caused tumors in laboratory animals. The Group effort was successful in obtaining a tough but reasonable standard for occupational exposure to AN. The OSHA Standard also exempts ABS and SAN resins on the basis of establishing that no serious worker exposure occurs in the handling of these materials.

The PET Safety Committee was organized in 1976 to ensure there is sufficient data to defend the use of PET

resin for food contact use—primarily beverage containers.

The Epichlorohydrin (EPI) Committee was formed in 1978 to respond to the OSHA request for information on epichlorohydrin.

The Styrene Monomer Group has been formed to assist in the coordination of the industry response to any proposed new standards for occupational exposure to styrene. Several existing committees within SPI have had activity in this area—the Reinforced Plastics Composites Institute's Occupational Safety and Health Committee and the Polystyrene Safety Committee.

The Vinyl Acetate Task Force is sponsoring a sub-chronic study of the toxicity of vinyl acetate at Hazleton Laboratories (U.K.). The Task Force has been successful in enlisting support from the European and Japanese producers. The participants constitute over 90 percent of the world's production of vinyl acetate.

Washington Activities

As a result of the past trend toward increasing government regulation of business and industry, this year the SPI Washington office increased the scope of its activities on Capitol Hill, in the Federal agencies and in the executive branch. More active participation by several SPI member companies on a variety of issues has fortified the presence of the plastics industry in Washington. The SPI Washington office continues to coordinate industry involvement and response to proposed regulations, as well as actively represent the industry at public meetings, hearings, and legislative proceedings.

While activity on product liability, TSCA, OSHA, cancer policies and small business concerns continues, energy and feedstocks availability again has emerged as the top priority at present for the plastics industry. In this area, SPI Washington launched several successful efforts, including efforts on Capitol Hill, at the Department of Energy and elsewhere. SPI's Washington manager of federal government affairs recently testified before the Environmental Protection Agency (EPA) supporting its proposed rulemaking to suspend enforcement of the 0.8-gram per gallon lead phase down standard. He testified that "it is important EPA understand that the impact of materials shortages and escalating prices is felt by literally thousands of small companies and their employees." Further, he explained that "the negative ripple effect on the economy of unmet production commitments, cost escalation, slowdowns, lay-offs and the like directly resulting from shortages caused by the aromatic gasoline competition could be very serious." He recommended that "EPA in its rulemaking give stronger consideration to the needs of the petrochemical industry and segments dependent thereon." In addition to this effort at EPA several SPI members contacted their Congressmen and influential Energy Committee members to urge priority treatment for all petrochemical feedstocks and a guaranteed sufficient supply of raw

materials so critical to the plastics industry.

These special SPI requests for individual action on key legislation and regulation have generated encouraging responses and further increased SPI recognition in the government relations area. As a result, Congress is better informed as to the vital needs of the plastics industry, particularly as related to feedstock needs and vulnerability to materials supply interruptions.

Another highlight in the energy area which has been monitored by the Washington office is oil decontrol and the windfall profits tax. The House just recently adopted a Jones (D-LA)/Moore (R-LA) substitute to the Ways and Means measure H.R. 3919, by a 236 to 183 vote. The alternative would lower the tax rate of the extra revenues to 60 percent and would phase out the upper tier oil tax by 1990. The bill would net the government an estimated \$23.3 billion over the next five years which is two billion more than the President's program but 4.5 billion less than the Ways and Means version.

In addition to liaison with Washington policy makers, the Washington office has monitored over 5,000 House and Senate bills this session providing analysis and helping coordinate SPI activity and response on issues. Coverage of the Washington scene included attendance at an estimated 100 days of congressional hearings, extensive contact with member company Washington offices, liaison with special issue coalitions, related trade groups and others in addition to White House contacts on Wage/Price control and inflation.

The climate of scrutiny of industry will continue in 1980. With continued environmental and health regulations emerging, the SPI Federal Government Relations Committee in conjunction with the Washington office is challenged with a broadened mandate to coordinate the development of strategies for the presentation of SPI positions to Congress as well as providing a mechanism for the implementation of the Public Affairs Committee priorities in Washington.

NPE/79

Following 2½ years of intense preparation and expectation, the National Plastics Exposition opened its doors in June 1979 with a record 47,473 registrants visiting the show during the five-day period. Held in Chicago's McCormick Place, NPE/79 set new records in all categories including the record attendance, which averaged nearly 10 people per minute visiting the show. This was a dramatic 10 percent increase over the previous record of 43,013 posted for NPE/73, and a significant jump over the 37,559 attendance mark set at NPE/76. NPE/79 was truly international, with over 4,000 foreign visitors from 60 countries, including a delegation from the People's Republic of China.

Records were not only set in attendance but also by exhibitors, topping the previous record of 469 set at NPE/76. This year's show saw 504 exhibitors utilizing a total display space of over 330,000 net square feet. For the first time in NPE's history all three levels of McCormick Place were used. The previous record display space was 290,000 net square feet during NPE/76.

It was the general consensus of NPE exhibitors that the show was a great success, based on the number of

inquiries, the caliber of visitors, and the potential business prospects visiting each of the booths. Held concurrently with NPE was the National Plastics Conference. This highly educational conference drew nearly 5,000 people for the 16 sessions spread over a four-day period.

The SPI booth at NPE/79 featured "Energy." A mock-up of an oil barrel was used to dramatically illustrate the fact that plastics products, generally regarded by scientists as one of the most efficient uses of oil and natural gas, require less than 1.5 percent of these resources to produce the raw materials from which plastics are made. SPI literature on energy available in the booth included information on how plastics save energy and what industry members can do to help achieve an energy-efficient America and to attain adequate supplies of available petrochemical feedstocks for plastics.

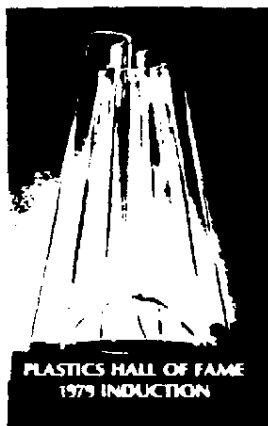
The Plastics Industry Hallmark was introduced at the exposition with information on its use made available in the SPI booth. Show week also included the Plastics Hall of Fame Dinner, which featured former President Gerald R. Ford as guest speaker.



Ribbon cutting ceremony marked the opening of NPE/79. Officiating at the ceremony were (top left photo, left to right): Ralph L. Harding, Jr., SPI president; Frank Sam, president of the Chicago Convention Bureau; H. R. Hutchinson, NPE/79 chairman; John Sevcik, general manager of McCormick Place, representing Chicago Mayor Jane M. Byrne; SPI chairman Iver J. Freeman, Package Machinery Co.; NPE/79 vice chairman Ray Ross, Cincinnati Milacron, and SPI general manager Thomas J. McGrath. The SPI booth featured "Energy." A mock-up of an oil barrel (at bottom left) showed that only 1.5 percent of oil and gas consumption is required to produce the raw materials from which plastics are made. Mr. Harding discussed the energy situation with E. J. Fisher of American Cyanamid. Exhibitors at NPE/79 (above) set a record. At the show, 504 exhibitors utilized a total display space of 330,000 net square feet. For the first time in NPE history, all three levels of McCormick Place were used for display.

Plastics Hall of Fame

In October 1972, the Plastics Hall of Fame was established to recognize those individuals whose accomplishments have contributed most significantly to the growth and success of the plastics industry. Each year nominations are sought for living or posthumous candidates. A selection is made based on the most outstanding qualifications presented. Presentation of the Hall of Fame sculptural award accompanies induction. Election to the Hall of Fame is a distinct honor that sets its recipients apart from their peers. Originally established by *Modern Plastics* magazine in cooperation with The Society of the Plastics Industry, the Hall of Fame has been sponsored and administered by SPI since 1977. In 1978, seven candidates were elected to the Plastics Hall of Fame. Induction of the seven men took place during the Hall of Fame Dinner, held during NPE/79.



C. WILLIAM CLEWORTH offered outstanding support to the development of new machinery and materials during the critical years of World War II. In the post-war years, he provided strong encouragement for plastics innovation and market development. A pioneer in plastics communication, he started the Cleworth Publishing Company in 1942.



PAUL J. FLORY developed techniques for measuring and improving the constitution and properties of plastics, rubber and fiber. His research in industry and academic surroundings led to his being awarded the Nobel Prize for chemistry in 1974. His contributions on polymeric materials have been essential to the growth of the plastics industry.



W. BRANDT GOLDSWORTHY is best known for his pioneering and continuing work in the development of pultrusion. He also developed much of the technology used in modern filament winding processes, the use of plastics in automotive applications and matched metal die molding for reinforced plastics. He holds 60 patents.



JAMES FRANKLYN HYDE carried out the first successful research leading to commercial production of silicones. He was also a leader in fundamental as well as practical research in the field of organosilicon compounds. Dr. Hyde was named Perkins medalist in 1971, one of the highest awards for applied chemistry in the United States.



MILLER G. SHERWOOD was a pioneer in injection molding production and introduced many plastics products into the automotive and appliances fields. He is known as a "helping hand" throughout the Midwest because of his counseling on molder management. He founded Michigan Plastics Products, Inc. in 1946.



ISLYN THOMAS, O.B.E., an industry leader in the mold and die industry, was active in the production of essential products during World War II. He also contributed to the development of the toy and housewares markets. He is the author of the first book published on injection molding, *Injection Molding of Plastics*.



CARL H. WHITLOCK designed and developed original materials handling equipment that helped the plastics industry move into mass production. These include the pneumatic hopper loader, the first remote-powered vacuum hopper loader and the first multiple loading system using single vacuum pump.

Operating Units

SECTIONS

Eastern Section

Now administered from more efficient and conveniently located offices in Totowa, New Jersey, the Eastern Section started production of a slide/cassette program dealing with the plastics industry in the state of New Jersey. This will be a test program, and is intended to impact on legislators, prospective industry employees and the general public. If successful, the program will be followed in other states densely populated by industry.

The section's annual conference, called "E-CON," has grown rapidly during its five short years of existence. E-CON IV featured speakers from the Department of Energy, private industry and consumer advocacy groups, and was considered the most successful yet.

The section's Southern Chapter had its first mini-conference type meeting, and will make this an annual function. The Mid-Atlantic Chapter's fourth annual mini-conference attracted a record number of participants.

Midwest Section

Work continued on the development of Michigan and Northern Ohio Chapters which, it is hoped, will be fully operational by mid-1980.

It was decided that the section, in cooperation with the Financial Management Committee, will promote and sponsor seminars on "Cost" throughout the Midwest in conjunction with the *Financial Management Manual*.

A "traveling road show" was developed on "Energy Feedstocks and the Plastics Processor." Public affairs concerns on energy and packaging legislation in the midwest states have been a key member activity in the section.

New England Section

Following the SPI Board of Directors' approval of the establishment of a New England office, Patricia Brooks was hired as New England section manager.

A concerted membership campaign was undertaken within the section. Seven different mailings were made to nonmember companies in the six New England states. To date, 12 companies have joined SPI to participate in the affairs of the New England section.

The Annual Spring Conference attracted 75 registrants. Presentations were made on technical and management subjects.



A heavy schedule of meetings and conferences reflected the ever-increasing activity of the many operating units which make up SPI.

Western Section

Among the section's most notable activities was a number of legislative briefings intended for members to establish liaison with state assemblymen and senators. One such briefing, held in Sacramento, was cosponsored by the section's Plastics Industry Response Committee and the Southern California and Northern California chapters. The briefing featured 30 displays of member companies' products. More than 200 industry representatives spent the day visiting legislators, and hosted 50 legislators and other government figures at a reception that evening.

The Section's Molders Division sponsored a bill in California that would allow molders to legally dispose of obsolete tooling; the obsolete tooling was the source of severe storage problems for many molders. The bill (SB 451) unanimously cleared the California Senate and the Assembly with no opposition, and was signed into law by Governor Brown. The law becomes effective January 1, 1980.

The Western office was active in a letter writing campaign in support of a California law which makes it illegal in that state to duplicate a product by the direct molding process and then sell it. The legislation became effective on July 1, 1979.

The result of a reorganization, the Odors, Emissions and Combustibility Committee was set up to handle problems in those areas.

The section's 36th Annual Conference drew more than 1,000 participants.

DIVISIONS

Epoxy Resin Formulators Division

The Division expanded its activities to include regulatory affairs, test method development, and market statistics analysis.

Recognizing the need for internal technical training in formulating with epoxy resins, the division is preparing a formulating "primer." This is intended for use by formulators to assist in developing qualified personnel within their own laboratories. The initial efforts will be directed towards the compilation and categorization of existing nonproprietary technical information.

The Regulatory Affairs Committee continues to be the backbone of the Division. Market statistics and end use concerns are two areas with increasing activity.

Expanded Polystyrene Division

The division's annual conference drew a record audience. A contingent from the British EPS Association was present, and groundwork for promotion of international standards was laid during a joint meeting of EPS Executive Committees and United Kingdom representatives.

Membership continues to grow in both the Shape and Block Groups of the division, with a 20 percent increase over the past year. Work was initiated toward publishing the first EPS Industry Directory.

A Speakers' Bureau was established

with the objective of educating plastics engineers on EPS technology. Plans were approved for a new marketing program on expanded polystyrene as an insulation material.

The Block Standards Committee continued to assist the government engineering firm charged with responsibility for revision of the Federal specification for EPS insulation board. Thermal testing proceeded with 20 molders participating. Results will provide valuable documentation for the Federal Trade Commission's final ruling on thermal insulation value claims.

The Technical Committee contracted with Southwest Research to conduct combustibility tests on exterior sheathing and roof constructions. The sheathing tests will provide input to Federal Department of Housing and Urban Development, and the roofing tests will establish safe use data consistent with proposed changes to the model codes.

The Code Committee was active in providing testimony at numerous state code hearings, as well as input into the building fire insurance rate problem.

The Shape Molders formed marketing and technical committees, to develop the industry's production sophistication and improve its knowledge of its advantages over other materials.

Fluoropolymers Division

The ongoing membership campaign brought four new members into the division. The polytetrafluoroethylene resin statistical report was revised and proved highly successful.

The division developed a report, written in layman's language, on recommendations from the National Institute for Occupational Safety and Health on decomposition of fluorocarbon products.

The Technical Committee's six subcommittees and five task forces were very active, especially in tubing, tape, expansion joints and bearing pads, where proposed standards were developed for submission to the American Society for Testing and Materials.

Foam Cup and Container Division

The division continued its public information program aimed at answering questions on environmental issues. In addition, the use of large foam cups for cold drinks was promoted. Aimed at fast food outlets, this program points out the advantages of these cups, including one cup convenience for hot and cold drinks. Case histories are placed in trade magazines, and stores are provided with point-of-purchase material to increase the public's awareness of the advantages of foam cups.

Foam Tray and Carton Division

The group continued to monitor state and local attempts to ban the use of foam meat trays through laws requiring clear trays. Several new programs designed to promote the wider use of foam trays and cartons in new markets as well as already established areas are being planned.

Furniture Division

The division continued to work closely with the Polystyrene Safety Group in planning and executing PSG testing projects. Tests conducted by the Southwest Research Institute on a closely packed, fully furnished living room provided favorable data on the ignition and combustibility characteristics of polystyrene and wood living room furniture.

Much of the division's activity was centered on planning for its next conference and Poly Awards program. Poly Awards, presented every two years for outstanding contributions to the furtherance of the plastics furniture industry, stimulate interest on the part of furniture manufacturers.

Machinery Division

The 1979 annual division meeting was the largest division meeting ever held. Four companies were admitted to division membership at this time.

A seminar on products liability was held during the Annual Meeting. Work continued on products liability matters, and on the data bank on legal precedents in products liability cases, prepared by the SPI legal counsel.

Five recommended safety standards on various types of plastics processing machinery were formally submitted to the American National Standards Institute for eventual promulgation. Twenty-one others are under preparation.

Molders Division

As a result of the successful Second Annual National Molders Conference, the division confirmed this meeting as an annual event.

The popular manual, "Standards and Practices of Plastics Molders" was reviewed, updated, and reissued. The manual covers commercial and administrative practices: contractual obligations, production and handling of tooling, charges and costs, inserts, component parts and materials, packing and shipping, limitations on inspections, claims for defects, and patents. Engineering and technical standards are covered for 18 materials, and keys to successful design of plastics molded parts are discussed.

Working with the Machinery Division,

the Molders Division gave final approval to recommended safety standards for auxiliary equipment and semi-automatic compression and transfer molding equipment.

Moldmakers Division

A survey of moldmaker members resulted in a complete rewrite of the Mold Buyers Guide. The update of this publication will be issued as "Customs and Practices of the Moldmaking Industry," and is expected off the presses by early fall, 1979.

A Second Labor Survey got underway. The statistics, when compared with those from the previous year, will provide key direction in moldmaker personnel development.

The Division elected to campaign for the adoption of a national apprentice training program with a common curriculum method of evaluation and testing. The objective is to establish recognizable job skills to overcome the manpower shortage.

Organic Peroxide Producers Safety Division

The Division filed comments with the Department of Transportation on the advance notice of proposed rulemaking, and supported the reduction of active oxygen from 11 to 9 percent in MEK products. In so doing, the OPPSD reaffirmed its commitment to the safe handling, storage and transportation of organic peroxides.

An in-depth search for toxicity literature on specific organic peroxides was begun. The ultimate purpose of the search is incorporation of the literature into the SPI data gathering program for all toxic substances.

The Plastic Beverage Container Division

The Division had an active year building its organizational structure, which now includes an Executive, Technical, Public Affairs and Information, and Recycling Committees.

Permission was granted by the SPI Board to institute legal action against the state of Hawaii because of its ban on plastic beverage containers. A suit was filed, and a hearing will be held.

Financial support was given to other packaging organizations in battling mandatory deposit legislation in a number of states. This includes the Beverage Industry Recycle Program (B.I.R.P.) of Maryland. The committee is participating on a trial basis with the organizers of B.I.R.P. to take back PET beverage containers from the consumers.

The Recycling Committee held a

number of meetings, and is in communication with recyclers. The committee is monitoring the quality of post-consumer bottle scrap with a view toward recommending specifications, and is investigating secondary uses for the bottle scrap. The committee is encouraged with the results to date.

The Plastic Bottle Institute

PBI expanded its highly successful information program to include background briefings with major consumer and environmental organizations. This is in addition to the continuing effort to reach major newspaper and TV editors with information on the role of plastics bottles relative to the major issues of energy, solid waste, health and safety. During the past year, a film strip for junior and senior high school students was developed.

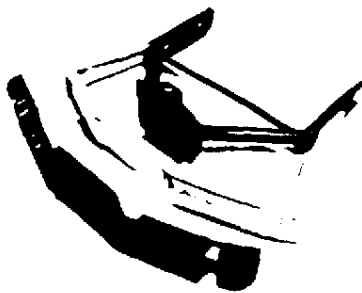
PBI's technical program included the publication of 14 new and revised quality control test methods, which received wide acceptance in the bottle producer and user industry.

Plastics Pipe Institute

Throughout the past year, the Plastics Pipe Institute sought to further define its function within the industry. Although a number of prior PPI activities now fall in the domain of other groups, those that continue are not only important to the groups that PPI represents but also to the entire industry.

Recognizing that the advancement of plastic pipe into various markets is based on the continuing education of designers, specifiers and installers, the Fuel Gas and the Large Diameter Polyolefin Piping Divisions embarked on a major educational and promotional program. The Fuel Gas Division began to develop a five-phase slide program on recommended installation practices for gas distribution systems, designed to support and assist the utility companies in their compliance with mandated Federal programs. The Large Diameter Polyolefin Piping Division began assembling an audio-visual slide program and supporting brochure for presentation to local, state and Federal environmental protection agencies.

Among the many other ongoing activities of PPI, the Statistical Program as well as the various technical activities, and technical reports continued to provide a much needed service to the industry. Diverse programs, such as the updating of literature, the Hydrostatic Design Stress Committee, the continued participation/representation with numerous standards-writing organizations and Federal agencies continued to express PPI's commitment to the plastics pipe industry.



Product design competitions were a highlight of many SPI committee conferences. This redesigned bumper system was the Grand Design Award winner at the RPIC Institute's 34th Annual Conference. Molded by the Woodal Division, LOF Plastics, Inc. the system incorporates a sheet molding compound bumper face bar and two diagonals.

Polymeric Materials Producers Division

Due to a reorganization, the Chemical Manufacturers Association's plastics group requested operating status within SPI. The SPI Board granted the request.

Two meetings were held this past year, both devoted to basic organization. SPI activities were explained, and the group's Executive Committee considered what programs it should undertake.

Profile Extruders Division

The Division's October meeting featured a presentation by the president of a major tool and die company and covered developments in the manufacture of small to medium size dies and stampings. Also featured at this conference was a speech by Sid Gross, editor of *Modern Plastics*, who discussed "Economics, Regulations and Image," and SPI Constituency Seminars on "How to Deal with the Media" and "Working with Legislators and Regulators."

The annual combined meeting of the Profile Extruders Division and the Vinyl Siding Products Division included presentations on European technology and design in building products, vinyl foam technology and melt temperatures in extruders.

The Window and Door Committee continued to be active with ever-increasing interest by industry members. The Standards Development Subcommittee is progressing rapidly in the development of standards. A first draft was written and contact with the American Society for Testing and Materials was established.

Reinforced Plastics/Composites Institute

The Institute's occupational health program made significant strides forward this past year. The first medical study, reported by the University of Cincinnati Medical School, indicated that no identifiable adverse health effects exist among a group of fabrication workers operating under present standards.

Other studies continued, including a state of the art survey of manufacturing technology. The Institute is the focal point for a \$1.4-million fund raising effort by the industry in support of this health and safety activity. In the meantime, staff and officers have assisted Occupational Safety and Health Administration personnel in working field sessions in the southeast and northwest.

The Institute's annual conference drew a record attendance, with an increase of 30 percent from the previous year. The annual market report announced at the conference reflected a banner year for product shipments in each of nine user markets, with overall growth of 11 percent for 1978.

The Corrosion-Resistant Structures Committee published 16 product standards through the American Society for Testing Materials, with 42 other titles in draft form. This committee also put major effort into its cooperative program with its customers, preparing a comprehensive Quality Assurance Code.

The RPIC Distributors' Committee consolidated its identity within SPI by holding several meetings and outlining growth plans. The Press Molding Committee attracted several hundred attendees to each of two different plant tour conferences in the Midwest.

Rigid Plastic Container Division

A "Blue Ribbon" Committee was formed to analyze Division operation and recommend future programs and organization. Member recruitment was emphasized, including material suppliers for the first time.

It was decided that meetings will emphasize educating and informing members of industry developments and government activities that will impact on their business operations and marketing efforts. Division programs will be developed as necessary to react to situations not directly covered by other SPI activities. Meeting programs now include several speakers on management, industry activities and new product developments from suppliers.

Sheet Producers Management Division

The Division revised and expanded its statistical program, which is now conducted on a monthly basis. Mem-

bership in the division was expanded to include resin suppliers. It was agreed that this associate membership category would include voting privileges.

It was decided that before adopting the proposed Acrylonitrile-Butadiene-Styrene Sheet Standard, a testing program would be implemented. A request was made that additional data be obtained before finalizing the proposed Polyethylene Sheet Standard.

Structural Foam Division

The 7th Annual Foam Conference and Parts Competition was held with 280 representatives attending. Twenty-one presentations were made on applications and technology in the structural foam industry. Awards in the structural foam parts competition were given for functional application, innovative design and the Conference Choice.

The Division began a combustibility program on structural foam products which is being conducted at Underwriters Laboratories in West Gloucester, RI.

Urethane Division

A position paper was developed on flexible urethane foam in various applications. The statement will now be presented and discussed with interested organizations and agencies, such as the Consumer Product Safety Commission, the National Fire Protection Association, the Carpet Institute, the National Association of Bedding Manufacturers and others.

It was decided to launch an expanded informational, communications and educational program to publicize the urethane industry position to important consumers and users, as well as code bodies, the fire community, architects, and engineers. A promotional program to publicize the merits of flexible urethane foam in bedding and cushioning continues. A publication entitled "How to Use Polyurethane Foam Safely" was prepared and approved for widespread distribution to users and the general public.

The Division worked with the Environmental Protection Agency to prevent restrictions in the use of fluorocarbon blowing agents in the manufacture of urethane foams.

Vinyl Dispersions Division

Technical and management issues were examined during the 61st Business Meeting of the Division. Discussion included those issues which are of general interest to the membership for further study, including dispersion and powdered resins and environmental regulatory and legislative concerns.

Vinyl Siding Products Division

A newly established Code Committee embarked on a code body liaison program. The proposed siding standard, D3679, was redrafted and is scheduled for second balloting by the American Society for Testing and Materials.

The Technical Committee completed several studies involving fire tests. Hazard analysis is an ongoing program of the Safe Use Subcommittee. Insulation studies involving aluminum and vinyl siding were completed and a report submitted.

Phase I of the study to develop an accelerated weathering test has been completed. The Weatherability Committee is working on an interim report reflecting two years of data collection and study.

The annual combined meeting with the Profile Extruders Division held in February attracted 200 members.

COMMITTEES

Committee on Distribution

This past year the Committee directed its efforts to two major areas: specific projects to support, service or promote the plastics industry's distribution efforts, and programs and conferences to educate and inform industry distribution personnel.

A survey was taken of committee members on their companies' metrication efforts in the areas of packaging, labeling, orders and related shipping and distribution documents.

Two surveys were conducted on distribution performance measurement methods. The first was a quantitative survey aimed at developing valid statistics pertinent to distribution patterns and the relative cost of distribution and customer service in the plastics industry. The second survey was a qualitative survey to ascertain what measurements and criteria are being employed by member companies to measure and control distribution performance.

A three-year historical analysis of tank and hopper car utilization reports was compiled for major product groups. The compilation and the supporting survey reports showed a deterioration in railroad service. This formed the basis of the Committee on Transportation's success in limiting the railroads' rate increase in 1978 to 5.5 percent, rather than the original seven percent requested.

A joint committee was formed to study the feasibility of consolidating the

Committee on Transportation and the Committee on Distribution.

Education programs and conferences conducted during the past year included an Inventory Management and Control Conference and Workshop. Another meeting featured Emergency Response Systems in Action.

Financial Management Committee

Planning, Volume III of the four-volume *Financial Management Manual for Plastics Processors*, was published. This volume covers the techniques and procedures that are effective in planning a company's operations. Included are discussions on profit planning and budgeting, capital investment planning, and cash management.

The highly successful two-day workshops, designed to introduce each of the four volumes comprising the *Financial Management Manual*, were completed. The committee agreed to develop a repeat of these workshops for 1980.

A series of four, three-hour sessions, collectively entitled "Managing for Profit," was presented at the National Plastics Exposition. The series was well attended and very favorably received.

The Fortieth Annual Labor (1978), the Eleventh Biennial Salary (1978), the First Insurance (1977), and the Sixteenth Annual Financial and Operating Ratios (1978) Surveys of plastics processors were published.

The committee also continued to explore means by which it may be of greater service to captive processors.

Food, Drug and Cosmetic Packaging Materials Committee

Washington activity in developing the idea of risk assessment held great interest for this committee. Meetings featured discussions on the topic, plus Government speakers on other critical policies of the Food and Drug Administration and the United States Department of Agriculture which will affect the development of indirect food additives regulations in the future.

Continued committee programs included monitoring of activities at several government agencies which are concerned with packaging materials.

International Committee

Two overseas trips were sponsored by the committee in conjunction with the United States Department of Commerce. The first was a successful technical seminar/mission to the Soviet Union in November, during which some 250 scientists from all over Russia attended a five-day technical seminar.

The second was a Videotape Catalog Exhibition featuring the newest technical and product developments of the U.S. plastics industry. The exhibition was shown to enthusiastic audiences in Iran, Egypt, Syria and Greece.

The committee arranged for a delegation of seven members from the People's Republic of China to visit NPE '79. An official proposal to conduct a Trade Mission/Technical Seminar to the People's Republic of China in 1980 was submitted to the Chinese Plastics Authorities. Twenty-five firms indicated initial interest in participating.

The committee, in conjunction with the Department of Commerce, worked on cosponsorship of a U.S. group stand at the International Trade Fair for Plastics and Rubber in Dusseldorf, West Germany in October 1979. Thirty-one U.S. firms will participate in the Group Stand.

The Multilateral Trade Negotiations Trade Bill presently before Congress received substantial input in the form of testimony and other active participation by members. On the whole, the committee is satisfied that the bill will be of substantial benefit to the U.S. plastics industry.

Ad Hoc Plastics Microwave Oven Cookware Committee

Interest in this ad hoc committee's work remains high, with the past year being one of progress and achievement. The committee petitioned the SPI Board to change its status from an ad hoc to a permanent operating unit.

The Standards Subcommittee completed its work on developing the criteria for a minimum performance standard for reusable cookware. Tentative test methods were developed for use in such a standard. Approval was given for the next important step toward the development of an industry standard, passing all the information to an American Society for Testing and Materials' committee for review and consideration. ASTM was formally requested to set up an appropriate committee to carry out this task.

The committee approved in principle the funding of research at an independent laboratory on test methods for auto-ignition and flammability using a microwave source.

The Consumer/Labeling Subcommittee completed its survey and analysis of plastics microwave oven cookware industry labeling practices. The subcommittee is near the completion of its recommended glossary of terms. Work was carried out on the development of plans to widely publicize the glossary to the general public and oven manufacturers. The development of programs



The Committee on Resin Statistics published its fourth Annual Major Markets Survey. Industry experts from three major markets predicted continued growth for the plastics industry at a press conference in New York. Ronald Price (above, left) Borg-Warner Chemicals Division, covered automotive. William P. Hammond (above, right), Building Materials Group, GAF Corp., spoke on building construction. Peter F. Berend (right), Product Design, Rubbermaid, Inc., discussed consumer markets.

aimed at consumer education in the area of plastics microwave cookware was also begun.

PVC Meat-Wrap ad-hoc Committee

The committee is involved in conducting research on the effects of plastics packaging in the meat preparation industry. The study is being conducted with the Harvard School of Public Health in conjunction with the Joint Labor Management Committee of the retail food industry.

Radio Frequency Heating Committee

The oldest standing SPI service committee, this unit continues to concern itself with rules promulgated by the Federal Communications Commission. The committee developed a recommendation with regard to a proposed revision of the FCC's procedure for measuring radiofrequency emissions from industrial, scientific and medical equipment. It was agreed to request an extension of rule making concerning the revision, examine the data which is intended to justify the need for the revision, and if possible, determine the economic impact should the rule be promulgated.

Committee on Resin Statistics

The Committee published the results of its fourth Annual Major Markets Sur-

vey, the only known statistical survey of its kind.

A proposal to develop an Annual Worldwide Statistical Program on Plastics Resins covering Production, Imports, Exports and Consumption in select major countries was submitted. Approval was received from the European Council of Chemical Manufacturers Federation, the Association of Plastics Manufacturers in Europe and the Japan Plastics Industry Federation. While it was suggested that the initial program cover the years of 1976-78, it will probably not be implemented until 1980 for the year 1979.

General Motors agreed to participate in the Automotive End-Use Program, joining Ford and Chrysler. There is now sufficient participation to proceed with the development of the program.

Organizational work was started for a second Plastics End-Use Survey that will cover the Appliance Market.

Committee on Transportation

Due to broadening aspects of the traffic function, the name of this service committee was changed from the Traffic Committee to the Committee on Transportation.

The Committee's most significant achievement was a protest against a general rate increase sought by the railroads, which was to become effective in December 1978. Upon the protest by the Committee, the Interstate Commerce Commission limited the sought 7 percent increase to 5.5 percent. Plastics was one of only five commodity groups to receive special ICC consideration in this proceeding. Savings to

the plastics industry will amount to \$4.3 million on a recurring annual basis.

The committee compiled a White Paper analyzing the high level of profitability to the railroads in their movement of plastic resins, based upon cost analysis and comparison with the rates applicable to other commodities. This paper was widely disseminated throughout the railroad industry and has also been furnished to staff members of the Interstate Commerce Commission.

With respect to motor carrier service, the Committee successfully argued against a proposed 5 percent increase applicable to plastics resins moving within Eastern Central Territory and a general rate restructuring in Southern Territory which would have impacted both resins and manufactured products.

Other motor carrier items addressed by the Committee included initiation of

an evaluation of the present freight classification ratings on caps and covers, rates applicable to plastic bottles moving within Central States Territory and in California, and a proposed motor freight Classification Board tariff change to require "leak-proof closures" on plastic bottles.

The Committee sponsored a panel discussion with senior management from four railroads, focusing upon the rail movement of plastic resins, rates on plastic resins, and the changing transportation environment. Also participating in the program were the Director of the ICC Bureau of Economics, and transportation consultants.

The Committee expended considerable effort in analyzing the core issues of proposals to deregulate the rail and motor carrier industries and, with the Committee on Distribution, is preparing a position paper relative to this subject.

ing with the American Railroad Association in rail impact tests on light and open head drums. Agreement also was reached on publishing technical bulletins for closures. Copy will now be prepared.

Recognizing reconditioning as a major concern within the Institute, the PDI selected a task force to investigate and develop a plan of action.

Plastics Packaging Strategy Group

The members reviewed the group's original objective—essentially to fight bans on all types of plastics packaging—and decided that this may have been too broad. Therefore, an ad-hoc committee was established to review and redefine objectives. A draft of group objectives was prepared by the ad-hoc committee and submitted to the full committee for review.

The group was heavily involved in the financial support of the SPI lawsuit against the Minnesota ban on plastic milk bottles. The lawsuit was successful in the lower court and the results of the state's appeal are pending a decision.

The group is also financially supporting the work of an ad-hoc committee on risk assessment associated with plastics packaging. It is the objective of this committee to develop data which hopefully will convince the Food and Drug Administration to apply the risk assessment concept to indirect food additives.

Polystyrene Safety Group

The investigation into occupational exposures and environmental discharges during the extrusion and injection molding of polystyrene was completed under the direction of Dr. Raymond Seymour of the University of Southern Mississippi. The test demonstrated that emissions during plant extrusion and injection molding are negligible and readily handled by fume-removal equipment. An article by Dr. Seymour which set forth the results of the test was published in *Plastics Engineering*.

Tests conducted by the Southwest Research Institute test on the ignition and combustibility characteristics of polystyrene living room furniture and kitchen cabinet doors provided highly favorable data.

The group is currently monitoring studies being conducted by Arthur D. Little for the Food and Drug Administration and plans to sponsor extraction tests of its own should it appear advisable. The group also maintains close liaison with the Consumer Product Safety Commission on petitions relating to polystyrene.

SPECIAL PURPOSE GROUPS

Appliance Council

The council continues to work with members of the Housewares Manufacturers Group in furthering the interest of the plastics microwave oven cookware industry. The Council also monitors regulatory activity relating to plastics appliances and alerts members to threatening legislation.

Cutlery Manufacturers Group

The group continues to gather market statistics. The statistical reports now break out retail and institutional sales separately.

Housewares Manufacturers Group

This group monitors standards and regulations, as well as preparing testimony on behalf of plastics housewares manufacturers for presentation to Government agencies. This past year's activity was mainly centered on monitoring activities related to a proposed standard for combustible solid supplies.

Plastics in Construction Council

The council was extremely active in the related fields of codes and standards. A major portion of council activities involved specific energy conservation regulations and the promotion of code standardization.

The council's Insulation Committee worked with the Urethane and Ex-

panded Polystyrene Divisions and was successful in updating the Building Officials and Code Administrators Model Code, effecting a position that is consistent with the other model code groups. In addition, several states and major city building departments were contacted with regard to problems with the "responsible application" of foam plastics.

Another ongoing activity is involvement with the Department of Energy. Along with written comments in response to proposed regulations, this group participated in a meeting with DOE to inform those involved of the impact on the industry of a hastily drawn and incomplete set of regulations.

The Trim Committee began preparation of a proposal for the various model building codes regarding plastics trim. To accomplish this, work will continue on a series of fact-finding combustibility tests.

The Light-Transmitting Committee reviewed the model solar code being promulgated under the auspices of the Council of American Building Officials. This work should serve to assist in the uniform development of solar heating and cooling standards for the Department of Energy. This work will have a definite impact on the potential solar collector market.

Plastics Drum Institute

The Institute's members agreed on final language to be included in the petition to the Department of Transportation for warning and nonuse embossment labeling. This will be submitted to DOT.

It was agreed that an evaluation will be made of the possibility of participat-

Financial Statements

Balance Sheets

May 31, 1979 and 1978

	1979	1978
Assets		
Cash in checking accounts and on hand	\$ 59,408	\$ 6,433
Savings deposits	20,010	18,796
Short-term investments, at cost (which approximates market)	4,095,318	3,053,273
Receivables:		
Membership dues, less allowance for doubtful accounts, 1979, \$10,711; 1978, \$19,021	4,369	4,675
Accrued interest	115,984	58,879
Other	13,724	17,260
Prepaid expenses and other assets	34,737	16,033
Deferred charges—1979 National Plastics Exposition	1,145,164	310,018
Fixed assets:		
Furniture and equipment	192,261	158,382
Leasehold improvements	73,322	72,440
	265,583	230,822
Less accumulated depreciation and amortization	84,516	57,400
	181,067	173,422
Total assets	\$6,469,781	3,658,789
Liabilities and Fund Balances		
Liabilities:		
Cash overdraft	95,006	47,942
Accounts payable and accrued expenses	568,627	487,871
Unearned membership dues	33,624	57,154
Deferred revenue—1979 National Plastics Exposition	2,318,540	73,845
Total liabilities	3,015,797	666,812
Fund balances:		
General fund:		
Unappropriated	278,547	323,161
Appropriated (note 6)	1,782,022	1,495,286
	2,060,569	1,818,447
Special projects funds (note 6)	1,393,415	1,173,530
Total fund balances	3,453,984	2,991,977
Total liabilities and fund balances	\$6,469,781	\$ 3,658,789

See accompanying notes to financial statements.

Statements of Revenues and Expenses

Years ended May 31, 1979 and 1978

	1979	1978
Revenues:		
Membership dues	\$4,145,888	\$ 3,785,235
Interest	402,581	254,959
Sales of literature	83,924	55,294
Special projects	3,039,534	2,834,494
Other	38,884	29,071
	7,710,811	6,959,053
Expenses:		
Direct:		
Membership services:		
Legal and consulting	561,501	476,235
Communications (public relations)	96,116	84,422
Administrative	141,320	124,406
Membership promotion	33,098	32,209
Directory	24,206	18,560
Special projects—research, development, legislative and public relations	3,039,534	2,834,494
Service operating units	171,055	162,819
Divisions and groups	80,475	73,747
Regional offices	155,474	159,443
Public affairs committee	1,428,905	1,396,567
Chemical Industry Trade Advisor	2,000	2,000
Plastics Education Foundation	—	6,357
Accounting Manual	—	50,000
Indirect program, administrative and general:		
Salaries and employee benefits	1,429,441	1,316,229
Office supplies and expenses	299,784	278,832
Rent	123,261	115,299
Auditing and computer services	60,220	57,570
Provision for depreciation and amortization	27,442	20,840
Provision for doubtful accounts	5,194	8,355
Other	3,238	49,508
	7,682,264	7,267,892
Less allocation of administrative expenses to National Plastics Exposition	250,000	150,000
	7,432,264	7,117,892
Excess (deficiency) of revenues over direct and indirect expenses	278,547	(158,839)
Product liability expenses	(36,425)	(11,874)
Excess (deficiency) of revenues over expenses	\$ 242,122	\$ (170,713)

See accompanying notes to financial statements.

Statements of Changes in Fund Balances **Years ended May 31, 1979 and 1978**

	1979		1978	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year	\$1,818,447	\$1,173,530	\$1,989,160	\$1,226,117
Excess (deficiency) of revenues over expenses	242,122	—	(170,713)	—
Special projects funds additions:				
Assessments	—	2,039,898	—	1,877,860
Meetings and conferences	—	812,723	—	655,720
Sales of literature	—	109,286	—	119,383
Contributions in support of special programs	—	60,846	—	115,540
Budgeted general fund appropriation	—	300,000	—	150,000
Other	—	4,888	—	8,062
Special projects funds transferred to general fund revenues and expended	—	(3,039,534)	—	(2,834,494)
Appropriated funds expended	—	(68,222)	—	(144,658)
Balances at end of year	\$2,060,569	\$1,393,415	\$1,818,447	\$1,173,530

See accompanying notes to financial statements

Notes to Financial Statements

May 31, 1979 and 1978

(1) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects and certain budgeted general fund appropriations. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes, except that the budgeted general fund appropriations are expensed when appropriated.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Other significant accounting policies are set forth in the financial statements and the following notes.

(2) Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1979 and 1978 aggregated \$70,470 and \$90,243, respectively. Unfunded past service costs amounted to \$63,679 at September 1, 1978, the most recent plan valuation date. Such costs are being amortized over a ten-year period. At September 1, 1978, the assets of the fund exceeded the present value of the participants' vested benefits.

(3) Products Research Committee Funds

Effective December 3, 1974, the Society executed a consent order with the Federal Trade Commission which required, among other things, the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The research is being funded over a five-year period by various other respondents to the FTC proceedings. The Society is custodian of the Committee's funds and, at May 31, 1979, held \$621,795 (\$1,991,823 in 1978) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

(4) Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgments for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$107,500 per year. The lease expires in 1985.

Certain leases are subject to escalation provisions based on real estate taxes.

(5) Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1980	\$136,268
1981	123,590
1982	113,250
1983	113,250
1984	109,895
1985	<u>98,542</u>

(6) Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	1979	1978
Capital improvements	\$ 7,196	\$ 29,425
Product liability	—	26,721
Other	1,774,826	1,439,140
	<u>\$1,782,022</u>	<u>\$1,495,286</u>

Auditors' Report

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
345 PARK AVENUE
NEW YORK, NEW YORK 10022

The Board of Directors
The Society of the Plastics Industry, Inc.

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1979 and 1978 and the related statements of revenues and expenses and of changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1979 and 1978 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 9, 1979

Peat, Marwick, Mitchell & Co.

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Term expires May 31, 1982



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Secretary to the Board

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Committee on Transportation
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Committee
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Coordinating Committee on Consumer
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(PAC)
Radio Frequency Heating Committee
(PAC)
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Public Relations Committee(PAC)

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National Plastics Exposition

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Marketing Analyst

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Plastics in Construction Council
Plastics Pipe Institute

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Staff Director
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Technical Committee (PAC)
PVC Safety Group (PAC)
Plastics Resource Recovery and
Conservation Committee (PAC)
Styrene Monomer Safety Group (PAC)

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Plastic Jerry-Can Committee
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Molders Division

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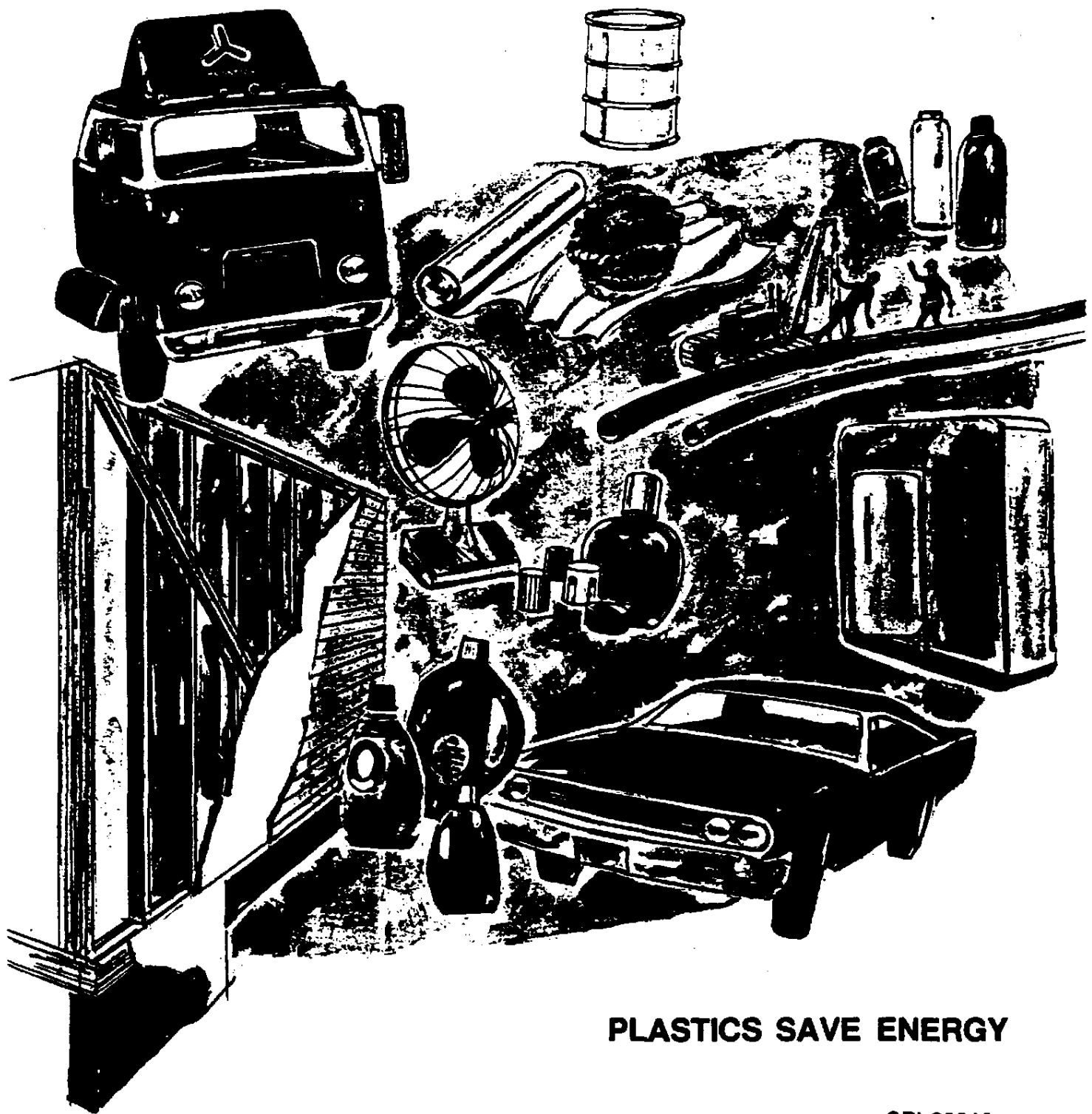


SPI-22209

The Society of the
Plastics Industry, Inc.



Annual Report 1979-80



PLASTICS SAVE ENERGY

SPI-22210

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On the Cover

The 10 representative plastics applications shown were the basis of a research project that showed that plastics can often save energy in all stages of their life cycle. Conducted by Franklin Associates, Inc. of Prairie Village, Kansas, the study has led to further work to examine the energy efficiency of all plastics. SPI hopes to dispel the impression that plastics are wasteful of energy.

1979-1980

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RAYMOND A. MATTSON
Southeastern Kusan, Inc.
Greenville, South Carolina

MACHINERY
SAMUEL J. RUPERT
Hoover Universal, Inc.
Saline, Michigan

MOLDMAKERS
W. JOHN GALVIN
Burton Tool & Die Co., Inc.
Leominster, Massachusetts

MOLDERS
LEONARD W. GOLDEN
Coigate Plastics Corp.
Buffalo, New York

NATIONAL PLASTICS EXPOSITION
H. R. HUTCHINSON
Wyncote, Pennsylvania

ORGANIC PEROXIDE PRODUCERS SAFETY
ORVILLE L. MAGELI
Pennwalt Corp.
Buffalo, New York

PLASTIC BEVERAGE CONTAINER
H. RANDALL LITTEN
Owens-Illinois, Inc.
Toledo, Ohio

PLASTIC BOTTLE INSTITUTE
FRANK M. HARRIS
Am Packaging, Inc.
Port Clinton, Ohio

PLASTICS PIPE INSTITUTE
IVAN K. DOBLIEU
E. I. du Pont de Nemours & Co., Inc.
Wilmington, Delaware

POLYMERIC MATERIALS PRODUCERS
CHARLES A. GRANT
Hercules, Inc.
Wilmington, Delaware

PROFILE EXTRUDERS
WILLIAM W. ROWLEY
Mercury Plastics, Inc.
Middlefield, Ohio

RPIC INSTITUTE
JAMES S. HEARONS
Owens-Corning
Fiberglas Corp.
Toledo, Ohio

RIGID PLASTIC CONTAINER
DONALD R. WENZ
Dart Industries
Ludlow, Massachusetts

SHEET PRODUCERS MANAGEMENT
GERALD J. WEIS
Impact Extrusions, Inc.
Grand Prairie, Texas

STRUCTURAL FOAM
CIRO L. PETRUCCELLI
Hanson Pattern & Mold Corp.
Ludlow, Massachusetts

URETHANE
WILLIAM C. DARR
Mobay Chemical Corp.
Pittsburgh, Pennsylvania

VINYL FORMULATORS
SAMUEL F. RUTLAND
Rutland Plastics, Inc.
Charlotte, North Carolina

VINYL SIDING INSTITUTE
JAMES W. JACKSON
Bird & Son, Inc.
East Walpole, Massachusetts

DIRECTORS AT LARGE

Term expires May 31, 1980

RIPLEY W. GAGE
Gage Industries, Inc.
Lake Oswego, Oregon

RICHARD W. GOODRUM
Ethyl Corp.
Baton Rouge, Louisiana

WILLIAM H. GUTHRIE
Phillips Petroleum Co.
Bartlesville, Oklahoma

L. WILLIAM SESSIONS
American Can Co.
Greenwich, Connecticut

PETER A. SIMON
Shamrock Industries, Inc.
Minneapolis, Minnesota

R. PETER TOOHY
Shell Chemical Co.
Houston, Texas

Term expires May 31, 1981

JOSEPH E. BIAFORE
Rubbermaid, Inc.
Wooster, Ohio

T. E. BRANSCUM
Golt Corp.
Winfield, Kansas

WILLIAM F. MERICLE
Cincinnati Milacron Co.
Cincinnati, Ohio

JOHN E. PEPPERCORN
Gulf Oil Chemical Co.
Houston, Texas

JOHN H. SCHROEDER
Crescent Plastics, Inc.
Evansville, Indiana

JACK L. SHAFER
Borg-Warner Chemicals
Parkersburg, West Virginia

Term expires May 31, 1982

JOSEPH L. DOWNEY
Dow Chemical USA
Midland, Michigan

CONSTANCE FLINOT
Battenfeld Corp. of America
Skokie, Illinois

ROBERT M. GERRYITY
Ford Motor Co.
Wixom, Michigan

WILLIAM J. GRAHAM
Owens-Illinois, Inc.
Toledo, Ohio

RICHARD T. STUDER
HPM Corp.
Mt. Gilead, Ohio

H.R. TOMFOHRDE, III
Union Carbide Corp.
New York, New York

Chairman's Report

It was a most interesting and worthwhile experience for me to serve as your Chairman during the two years ending May 31, 1980. As a machinery supplier, I had earlier anticipated the need on occasion to serve as a mediator between the diverging interests of resin suppliers and processors, but that hasn't been necessary at all. Instead, this has been a period of harmony and real progress. I can personally bear witness to the co-operative spirit and hard work of all involved in SPI.

As reported on the next pages of this report, our Public Affairs Committee, and staff, along with the supporting organizations, have become a smooth-running and effective operation—equal to the task of providing a protective umbrella for the industry.

Industry sales volumes rose steadily during these past two years. Reflecting this up cycle, our many sections, divisions, groups, councils and committees have never been busier. Nearly 700 official SPI meetings were held during 1979-80, in the interest of keeping markets open, developing new markets, and achieving progress in many areas.

The financial results have been gratifying, to say the least. In the *Annual Report* of a year ago we reported that fiscal year 1978-1979 was the biggest and best ever. And 1979-80 was both bigger and better. As shown in the Statement of Revenues & Expenses on page 13, gross revenues from all sources exceeded \$8.6 million, of which nearly \$3.5 million was raised and expended by SPI's Operating Units on special projects which were separately funded over and above the basic dues. These self-funded expenditures cover a broad range of projects, including toxicological research, legislative and public affairs activities, market and product development programs and meeting income.

The General Funds budget of SPI, which is administered by your Board of Directors, totaled \$5.1 million in fiscal year 1979-80. Largely because of the surge in interest rates, we generated an operating surplus for the year of \$269,547. To this we were able to add the net income from the 1979 National Plastics Exposition of \$674,470. As a result, after other adjustments, our total excess of income over expenses for 1979-80 was \$865,794.

Fortunately, these outstanding results provide a strong point of departure for the recession now in pro-

gress. After a very careful review of the situation and some expense reductions, your Board of Directors has established a General Fund budget for 1980-81 of \$5.8 million. In order to balance income and expenses they have drawn on 1979-80 excess income by \$220,000. Even after this action, the Society's reserves are equal to just under 50% of the current year's budget.

In addition, we achieved some modest gains in membership during the year: 144 new members, offset by 129 resignations, for a net increase of 15. Total company membership is now 1,215. We welcome these new companies and hope they will become active participants.

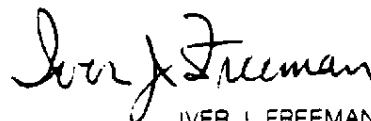
Our general feeling of optimism was further sustained by the results of the organization audit and dues study conducted for us in 1979 by consultants from the well-known firm of Ernst & Whinney. Their survey of Voting Representatives showed a substantial vote of confidence in SPI and its programs, including the dues system. No major restructuring or reorganization was recommended by Ernst & Whinney at this time.

However, I see no signs of any excess inventories of optimism in SPI. The recession/inflation conditions have hit our industry hard, and we can only hope that the predictions of an early leveling out and gradual rise are true. The trouble is that the regulatory and legislative pressures on the industry haven't slackened at all, and SPI has to continue to cope regardless of the business cycle. Old problems stay alive and new challenges keep rising.

Furthermore, it is inevitable that this industry will continue to grow and change. SPI will have to adjust and keep pace. Despite the good report card from Ernst & Whinney, your Officers and Directors are not satisfied with things as they are. What will be the basic mission of SPI in the eighties? What kind of membership organization will best serve our needs for the future? How should the staff be structured? What can be done to persuade more plastics companies to support their industry association? How can we make our programs and services better understood? Can we improve the dues system?

Work on these questions by your Board and staff was begun last spring and will intensify in the months ahead. I'm proud of what's been accomplished in the recent past. You have been well served by a very strong group of Directors who represent all elements of our diverse industry.

You are also in good hands with "Bud" Lundgaard as your new Chairman, with Jim Hearons as Vice Chairman, and with a well-balanced Board. Your staff continues to grow in competence. Thus, all the elements are present for a continuing strong trade association, provided you continue to give it both your personal involvement and financial support.



IVAR J. FREEMAN
Chairman



Mr. Freeman receives an inscribed silver tray for outstanding service to SPI from Ivar A. Lundgaard, incoming SPI Chairman.

SPI Public Affairs Committee

The plastics industry today is in an interesting but paradoxical position. On one hand we are going rapidly into new markets and applications; on the other hand legislation continues to threaten our growth by attempting to hamper our use of basic materials, by over-regulating our manufacturing processes and by trying to restrict the markets for our end products.

Basically SPI's Public Affairs Committee (PAC) is the result of the industry's recognition that external forces were beginning to affect our marketing abilities and the realization that helping the plastics industry to market its products involved a whole new spectrum of activities reaching far beyond the marketplace. These are the issues with which you are now all painfully aware—toxicology, combustibility, solid waste and, most recently, energy. Sometimes one of these issues will affect a single segment of the plastics industry, often several segments will be involved. The role of PAC is to coordinate and manage the response of the plastics industry to issues like these, which threaten our viability and the overall growth of our markets.

PAC is composed of representatives of member companies selected by the Board. It reports directly to the Executive Committee of the Board of Directors.

The present structure of PAC is based on the following considerations: first, an umbrella structure is needed to provide up-to-date and comprehensive information, legislative monitoring and contact, public relations and other support programs. This inclusive structure also has the responsibility for industrywide issues such as energy. Second, to provide the kind of expertise that a more narrow issue requires, PAC created the concept of Issue Coordination. Each Issue Coordinator is responsible for maintaining an up-to-date and comprehensive understanding of a generic issue of concern to the industry. He provides background and expertise on the problems within his area of concern. He is the liaison between operating units dealing with the issues, the SPI staff, and the support services PAC provides. The Issue Coordinator has the knowledge and the resources to develop strategies, to recommend policy and to implement it.

When an issue concerns a clearly defined portion of the industry, ad hoc committees or special interest units are formed. Such a unit draws upon the expertise and support of PAC and its staff; it coordinates its activities with other SPI activities, but it is essentially autonomous.

Thus, PAC has structured itself to respond both to the fluidity of the issues confronting us and the diversity of the industry we represent.

Technical Support

The technical support activities of PAC are centered primarily in five committees: the Coordinating Committee on Consumer Safety, which handles matters dealing with combustibility of plastics; the Plastics Resource Recovery and Conservation Committee, which oversees technical activities in the solid waste area; the Toxicology Committee; the Committee on Occupational Safety and Health, and the Energy Task Force.

In general terms, all five committees have as their

prime function the gathering of technical, scientific or medical data in order to develop an SPI position on a particular issue or to lend additional support to long-standing SPI positions. In some cases, these committees also develop and supervise the implementation of programs to promote the positions that have been developed. Their work, in many respects, is the bedrock of the PAC effort, for without technically sound data, it would be impossible for PAC legal, government relations and public relations experts to defend the industry successfully in the various public policy arenas.

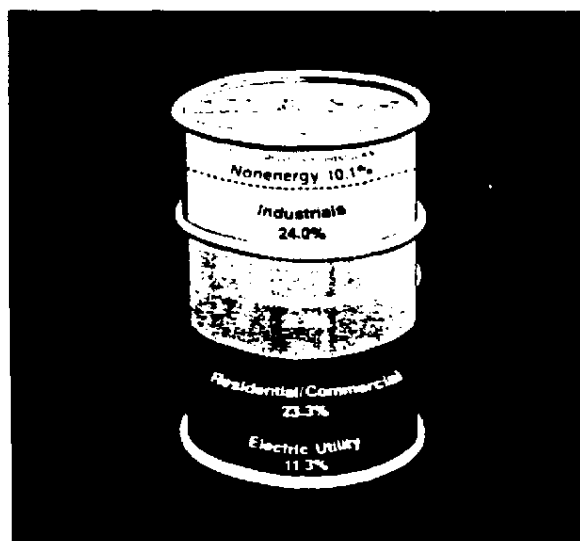
Each of these committees was established as the need arose. First, solid waste; second, combustibility; third, toxicity; fourth, occupational safety and health and, most recently, energy. In some areas, such as combustibility and solid waste, PAC has long been a sponsor of scientific research.

In other areas, such as toxicity and energy, PAC-sponsored technical research has not been extensive. Instead, those committees have relied on research conducted by other industry, government and private groups, which has provided data necessary for the development of important SPI positions. In some cases, this data has come from work carried out by self-funded groups within SPI itself.

In short, PAC will sometimes sponsor its own scientific research if such work is not being carried out by other responsible groups, or else it will use data gathered by others, but analyzed by PAC, to provide the necessary background for our issue-related efforts.

It should also be pointed out that these five committees do not operate in a vacuum, but draw upon and provide expertise to divisions and other self-funded groups within SPI as well as to outside organizations whose goals coincide with those of the plastics industry.

For example, the Energy Task Force has worked closely with the independent Petrochemical Energy Group to develop a program beneficial to both the pet-



As indicated, petrochemical feedstocks for plastics consume less than 1.5% of annual U.S. supply of oil and natural gas.



Among spokespersons participating in the PAC's Editorial Briefing Tours were John B. Westfall, director of business promotions for Phillips Chemical Co. (at right in photo left) and William C. Kuhke, market research representative for plastics for Shell Chemical Co. (at right in photo center). The tours drew excellent response from newspapers, as well as TV and radio coverage.

rochemical and plastics industries. Similarly within SPI, the Coordinating Committee on Consumer Safety works closely with the Urethane Division, the Expanded Polystyrene producers, the PVC Safety Group and others on general matters of fire safety.

PAC's close liaison with these groups, to share information and experience and to avoid duplication of effort, has resulted in another benefit: the creation of a cadre of legal, technical, government and public relations personnel from both staff and outside counsel whose expertise can be called upon by other groups within SPI when the need arises. Nowhere has this been more clearly demonstrated than in the occupational safety and health area. Starting first with vinyl chloride and proceeding through acrylonitrile, OSHA's generic cancer policy and now styrene monomer, PAC and consequently all of SPI has built up a background on ways to handle any occupational health regulatory problem that may arise.

One recent effort of interest in the toxicity area has been the work of the Toxicology Committee in helping to make life easier for the plastics industry in complying with the multi-faceted requirements of the Toxic Substances Control Act. In essence, what we've been trying to do is to establish with EPA that polymers are basically biologically inert chemicals and should, therefore, not be subject to the same notification and pretesting requirements as are basic chemicals.

Another area in which we have been extremely active is Federal cancer policy, not just with OSHA and EPA, but with the Consumer Product Safety Commission and especially with FDA, whose policy regarding indirect additives has a direct bearing on the future of the entire plastics packaging industry.

In simple terms, the various technical committees of PAC provide the ammunition that the other special service units of PAC use in their ongoing battle with over-legislation and over-regulation.

Governmental Affairs

The volume of legislation carried forward from 1979 and introduced in 1980 has been moderately high in comparison with other years. The volume forecast for 1981 is very high because it will be the beginning of a new biennium in all but four states.

SPI has retained lobbyists in 10 states which present special or intense problems. In addition to the defeat of every seriously threatening bill against plastics, the overall lobbying program enjoyed two special suc-

cesses. Bills that would relieve molders of the responsibility for retaining customer molds indefinitely were passed and signed into law in Minnesota and Massachusetts (a similar bill was enacted in California last year). Plans have been made to extend this program for the coming legislative sessions.

The second success was through the State Governmental Affairs Committee. Having determined that the type of plastics milk bottle legislation and restrictive packaging review (or preclearance) legislation passed in Minnesota was planned for publication as model legislation for all states, SGAC took immediate and effective action. Contacts were made with the subcommittee of the Council of State Governments which was considering this action. The subcommittee was persuaded to withdraw the damaging model act, deemed especially antagonistic to free enterprise and plastics packaging generally. It has been estimated that this action probably eliminated the necessity of fighting similar legislation in 15 to 30 states.

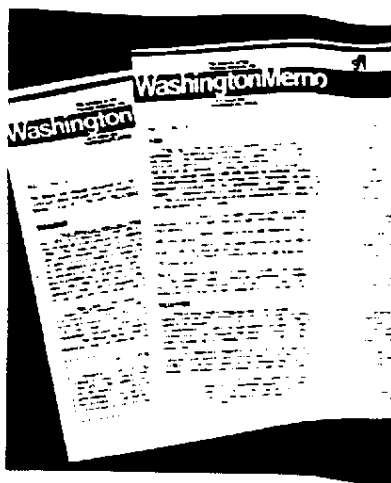
Two successful Government Relations Seminars were given during the year, in Dallas and in Detroit. A Civic Action Program, administered through the SPI Section Offices was instituted, to encourage members to become politically active in the 1980 elections.

A new facet of PAC's external communications program instituted this year is the series of Editorial Briefing Tours. This involves teams of specially trained industry spokespersons who go to a chosen area and discuss the issues with the media people in selected cities across the country. Cities are chosen for maximum beneficial effect—for example, the home towns of important members of the Senate and House Committees on Energy Policy. Results from the cities visited to date have been most encouraging, with a positive reception of the spokesperson by the press.

Existing programs such as Constituency Seminars, the Member News Bureau, and the capabilities for quick response to unwarranted criticism were continued during the year under the direction of PAC's Public Relations Committee.

Washington Activities

Over the last year, the SPI Washington office has intensified efforts to increase the visibility of the plastics industry in Washington. Monitoring relevant developments and making direct contacts with executive and congressional officials to present plastics industry viewpoints for consideration in Federal policymaking



Reporting on Federal activities to SPI members was enhanced by the regular publication of a biweekly *Washington Memo*.

has been a priority and has had promising results. Among objectives this year was to broaden and improve the ability to monitor Federal developments and report on the same and conduct Federal government liaison. Legislative surveillance has expanded and will be more fully developed by the 97th Congress. Reporting on Federal activities to SPI members was enhanced by the regular publication of a biweekly *Washington Memo*. The Federal Government Relations Committee is more directly involved in the SPI government relations effort through the formation of periodic task forces and the establishment of a permanent Steering Committee. The full Committee will play an even greater role in helping shape SPI strategies in the 97th Congress.

In Congress

In addition to expanding direct contacts with legislators, over 10,000 House and Senate bills and resolutions have been monitored this year. SPI submitted written comments on S. 1789, the Product Liability Risk Retention Act; on two superfund measures - H.R. 85, the Comprehensive Pollution and Liability/Compensation Act and on H.R. 7020, the Hazardous Waste Containment Act, and, S. 2154, an OSHA reform measure.

In the Federal Agencies

Last November, L.W. Sessions, Chairman of the SPI Energy Task Force, testified on behalf of SPI before the Department of Energy and Treasury officials on the Administration's proposal to limit oil imports. In January, Mr. Sessions also appeared before the Federal Energy Regulatory Commission at its hearings on natural gas incremental pricing for feedstock and process use. In March, the SPI submitted to the Department of Commerce proposed revisions in the Standard Industrial Classification Code (SIC Code). In June, SPI worked with other trade associations in hosting Chemical Industry Seminars for EPA to educate the staff responsible for writing regulations under the Toxic Substances Control Act (TSCA). In March, SPI met with officials from the Consumer Product Safety Commission to discuss CPSA's plastics flammability study and to offer SPI's expertise in this area. Also of interest to SPI members, a delegation of SPI representatives has met frequently with EPA staff responsible for developing the agency's policy and regulations on non-aerosol uses of chlorofluorocarbons.

Other activities of the Washington office included program planning for the 1980 Annual Washington Meeting. Highlights were a Congressional Breakfast with over 50 Congressional offices represented, a White House Briefing with OSHA Administrator Eula Bingham, remarks by EPA Deputy Administrator Barbara Illum, and House Ways and Means Ranking Minority Leader Barber Conable. Just after the 97th Congress convenes, the 1981 Annual Meeting will feature a Capitol Hill visitation program.

Looking ahead, the SPI Washington office has surveyed the Board of Directors, Washington Representatives and other interested SPI leaders to develop a legislative agenda for the 97th Congress, the first of its kind developed by the association. It will detail what actions the SPI wishes to see the 97th Congress take during its 1981-82 tenure. In a related area, the SPI Washington office is developing a Legislative Response program to enhance the association's ability to encourage member company action on Federal issues. The initial phase of the program will be operable by the convening of the 97th Congress in January, 1981.

NPE '82

The NPE '82 Executive Committee, headed by chairman Raymond Ross of Cincinnati Milacron, is working on the NPE blueprint to assure that the next plastics show, set for June 21-25, 1982 in McCormick Place, Chicago, will be the most successful ever.

With the drawing for space set for April 1, 1981, traditional objectives have been intensified to win increased attendance from areas of the U.S. not heavily represented at past NPE's and also from overseas nations. Toward this end, a multi-language brochure promoting the value of attending NPE '82 was produced and disseminated at the K '79 show in Dusseldorf last October and at Rubberplas '80 in Singapore in May.

As the plastics expositions have grown in stature and size (attendance totaled over 43,000 at NPE '79) promotion techniques and objectives have been fine-tuned increasingly to prompt attendance by prime decision-makers from plastics end-user industries, such as automotive, appliance, packaging and construction. This emphasis will be continued for the '82 show.

The 520 exhibitors at NPE '79 used 340,884 square feet, including first-time use of all three levels of McCormick Place. Exhibitors at that show declared their intention to enlarge their exhibit space at the next show—NPE '82. Responsive to this trend, the management of McCormick Place has made substantial modifications, adding 40,000 square feet of suitable space for exhibitors.

At this early planning stage, the NPE '82 Executive Committee has reaffirmed the value and success in past shows of the National Plastics Conference which will again run concurrently with the exhibit at NPE '82.

Operating Units

SECTIONS

Eastern Section

Chapter activities within the section continued to gain momentum. Meetings, which stressed the benefits of SPI membership and membership development, had record attendance.

In addition to dinner meetings with speakers, both the Mid-Atlantic and Southern Chapters had success with "mini-conferences," one-day meetings featuring a speakers' program, recreation and a dinner. The Eastern Chapter of the Moldmakers Division also had a record year with an expanded Board of Directors and increased attendance at meetings.

E-CON V, the section's 1979 annual meeting, showed a 20 percent increase in attendance over the previous year's meeting, which was itself a record-breaker. E-CON V had as its theme "The Image of the Industry" and featured speakers from the industry, trade associations and the media.

Midwest Section

As part of the section's chapter expansion program, directors at large were elected from key geographic areas to work specifically on the expansion. Ohio was divided into two chapters, Northern and Southern.

In Michigan, the section assisted in development of an end market automotive group. Section committee members offered support and guidance to this activity.

A project to have in place key members for legislative response in each state got underway. The objective is a group of 8 such members in each state.

Emphasizing member contacts and involvement, a key program for the section was increased visits between the section's staff and members.

New England Section

The New England regional office in Framingham was opened in November, 1979. Prior to the office opening, the section initiated publication of a monthly regional newsletter, *New England News*.

The 35th Annual New England Conference in October, 1979 drew over 190 attendees. The conference theme was "Manpower Development—Identification, Recruitment, and Training of Personnel for the 80's."

A moldmaker apprentice school in New England, based on the American Mold Builders Association program, was approved by the SPI Board as a pilot for a national moldmaker apprentice program. A committee was formed to develop promotion for the project and to manage the school. Promotion included local open houses to inform industry members, educators, the media and potential applicants of the program. Nearly 200 applicants have been tested for entrance into the program, of which approximately half qualified. Two-thirds of the 25 class seats have been reserved by industry members for apprentices they will sponsor. The school is scheduled to begin in September in Southbridge, Massachusetts. The instructors will be experienced moldmakers who have been trained by instructors in the AMBA school.

The section's Annual Spring Conference attracted 100 attendees who heard presentation on employee training, economics and energy.

One of the major objectives of the section has been to increase the visibility of the expanded regional activities and to create cohesiveness between the different SPI groups in New England. To this end, over 60 percent of the membership was visited by the regional manager. Leadership from all New England groups participated in development of section objectives, and all group activities are being coordinated from the regional office.

Western Section

Attendance passed the 1,000 mark at the section's 37th annual conference, which had as its theme: "Practical Politics for Plastics: Challenge for the 80's."

Educational activities in the section included an open house held by the Moldmakers Division which drew more than 80 high school and junior college vocational instructors and counselors. The Scholarship Committee worked on the establishment of a format and criteria for awarding scholarships.

The Plastics Industry Response Committee decided to repeat the successful Legislative Briefing, which was held in Sacramento in 1979. That briefing included visits to legislators, a reception for legislators and other government figures, and display of member companies' products. The next briefing is planned for February, 1981.

DIVISIONS

Epoxy Resin Formulators Division

Ad hoc committees were established in two areas: one to update the "Hazardous Labeling Guide for Epoxy Products," and the other to develop a formulating "primer" for new employees.

The Technical Committee reviewed the ERF Test Methods with the goal of updating and republishing them with an appendix which would include referenced tests of the American Society for Testing and Materials. After the first review, the Committee noted that several of the test methods were in need of updating and programs got underway to accomplish this.

Record attendance marked the division's fall meeting. Considerable effort was devoted to membership development activity.

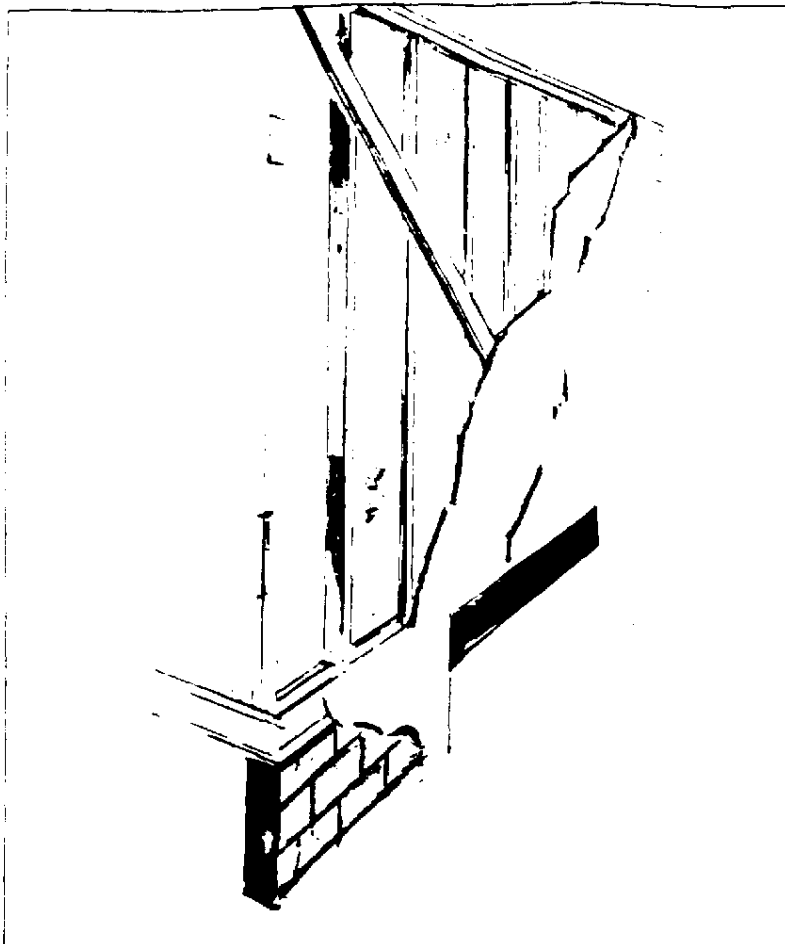
Expanded Polystyrene Division

The division broke all previous records for attendance at its 1980 annual meeting. In addition to a double session conference, the EPS Annual Awards Competition and the company-sponsored EPS Scholarship Awards Competition drew excellent participation and outstanding press notice in national and local publications.

Membership in the division continued to grow. A directory of member companies and their capabilities was printed for the first time, and was distributed to architects, engineers and packaging and product designers here and abroad.

New data acquired through the division's combustibility and thermal conductivity testing provided backup for recommending revisions to many standards-making and code bodies. This data was instrumental in completing recommendations for the Standards Committee submission to Federal Specification HH-1-524 for thermal insulation board as well as to the "Handbook of Fundamentals" of the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc.

Research approval for EPS ceiling tile was granted by the Building Officials Conference of America, culminating two years of effort, and was a major accomplishment for the division. This rec-



ognition, on top of the Southern Building Code Congress approval earlier, establishes EPS ceiling tile as a viable interior trim material.

Fluoropolymers Division

Participation in the Statistical Program for granular PTFE (polytetrafluoroethylene) resin was expanded to include all the major domestic and foreign suppliers of this product into the U.S. market. The statistical program will provide a benchmark of a broad spectrum of the market.

The division's annual meeting, held in March, 1980, had the largest number of registrants in the event's history.

The Policy Board implemented plans to increase the division's membership from geographical areas that are poorly represented as well as from processing areas that are presently underrepresented.

The Technical Committee developed a recommended standard for heat-shrinkable fluoropolymer tubing for promulgation through the American Society for Testing and Materials.

Foam Cup and Container Division

The division continued its regular public relations program to cover promotion to fast food chains, success story reprints, trade media feature articles and newspaper and feature columns. The emphasis is on benefits of using foam cups and support of anti-litter programs.

Informational activity on the controversy over the use of lemon and tea in foam cups was handled by the SPI Public Relations Department. Division members participated individually in answering media questions.

Furniture Division

A membership campaign resulted in increased membership which is more representative of the plastics furniture industry today. Efforts continued to obtain multi-material representation.

Planning got under way for a furniture conference and exhibit during a furniture show to be sponsored by the Southern Furniture Manufacturers Association.

Machinery Division

The division is now comprised of 145 companies that manufacture blow molding, extrusion, injection molding, specialized processing and thermoset processing machinery as well as auxiliary and compounding equipment.

Work continued within the division on suggested legislative reform in the products liability area, with a data bank on legal precedents for this area maintained by SPI's legal counsel. A "Product Liability Handbook" was prepared to advise machinery manufacturers on how to prevent equipment misuse and abuse in order to reduce the potentiality of accidents and injuries in the workplace.

Twelve proposed safety standards were submitted to the American National Standards Institute for eventual promulgation as ANSI documents. Work was started on 14 other standards proposals.

The division's annual meeting had over 250 persons in attendance.

Molders Division

A committee was set up to assist SPI in a joint venture with the Department of Energy to develop an energy savings manual for plastics processing. A second committee was active in the review and development of SPI's new safety manual.

The division supported enactment of legislation that more clearly defined mold retention and mold storage obligations in various states.

The division's annual meeting was well attended, and regional meetings throughout the year continued as a mainstay of division programs.

The division's annual meeting had as its theme, "Managing the Technology of the Plastics Molder." The conference focused on three major areas: new technology, personnel management and cost accounting principles. The conference included a half-day Cost Accounting Mini-Seminar, which featured an SPI Financial Management Workshop.

Moldmakers Division

A new "Directory of Moldmaker Services" listing the special capabilities of SPI moldmaker members was released. The division's Labor Survey was expanded to provide more detail on fringe benefits and more detailed geographic breakdowns.

The Moldmakers entered into a cooperative program with the American Mold Builders Association to expand apprentice programs. Using the curriculum developed for a Chicago school, SPI introduced the program in New England.

A scholarship program in honor of the late James R. Driscoll was started in the



The Moldmakers Division initiated a scholarship program in the Dayton, Ohio vocational school system in honor of the late James R. Driscoll. Winner of the first award was David Getter (third from left). At the ceremony were (left to right) Jack Galvin, immediate past chairman of the division, Mrs. JoAnn Driscoll, and Robert Sherman, staff manager for the division.

Dayton, Ohio vocational school system. Mr. Driscoll was vice president of Diamond Tool & Die Co. of Dayton, Ohio, and a member of the Moldmakers Division Policy Board. The first award was presented to David Getter, a graduating senior in machine trades at Montgomery County Joint Vocational School.

A direct mail program was developed as part of the division's membership drive.

Organic Peroxide Producers Safety Division

Increased technical support was provided for the Department of Transportation representatives at United Nations meetings on organic peroxides. This included data for position papers and attendance at meetings in London and Geneva by OPPSD advisors. The division supported the proposal of the Department of Transportation to adopt the United Nations' nomenclature for organic peroxides.

The division also supported the DOT's proposed rules which would prohibit shipment of any MEK peroxide with more than nine percent active oxygen.

Representatives of the division worked closely with a committee of the National Fire Protection Association to develop a new organic peroxide classification system which would be better suited to the needs of the association.

A compilation of specific organic peroxide toxicity data, obtained from a worldwide literature search, was completed.

Plastic Beverage Container Division

The division was very active in programs to stimulate the development of

systems for recycling polyester beverage bottles back into useful products.

The division provided substantial manpower and monetary support to the Plastic Bottle Institute's Gatekeeper Program. A brochure was published dealing with the environmental benefits of polyester bottles with regard to recycling options and energy consumption.

The division actively opposed mandatory deposit referendums in Ohio and Washington. In cooperation with the Plastic Packaging Strategy Group, the division helped fund the litigation that resulted in the Hawaiian law prohibiting the sale of beverages in plastic containers being declared unconstitutional.

Among the programs the division agreed to conduct are a market research study on consumer attitudes toward plastic beverage containers and support of anti-deposit efforts in various states.

Plastic Bottle Institute

The Institute decided to continue the public relations program which will emphasize the highly successful series of Gatekeeper Meetings with newspaper editors and environmental groups around the country.

The Institute also will give heavy emphasis to promotion of the PBI School Audio Visual Kit. A new feature of this program will be the development of television talk show appearances by member representatives.

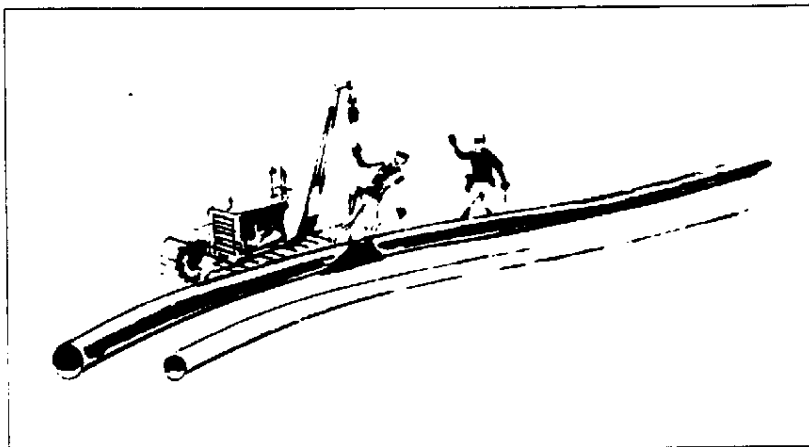
A major new effort got underway to sponsor a Plastic Bottle Seminar on October 1, 1980 in New York to inform the trade of latest developments in technical areas and public relations.

PBI funded the SPI petition to the Bureau of Alcohol, Tobacco and Firearms to approve polyvinyl chloride for liquor bottles.

Plastics Pipe Institute

Following up on last year's commitments PPI continued to stress the development of aids for the education of designers, specifiers and installers on the proper selection, design and installation of thermoplastics piping. Although this effort is important to the groups that PPI represents, it also serves to benefit the entire industry.

One of the Institute's Fuel Gas Division's most significant achievements was the completion of a slide program consisting of five separate presentations on recommended installation practices and the proper joining of PE pipe for gas distribution systems. It is designed to support and assist the utility companies in their compliance with mandated Federal programs. At present, over 100 slide presentations have been ordered for use in training programs for utility operators and inspectors. In addition, the PPI Technical Director participated as an instructor in



four sessions of special courses given by the Department of Transportation Safety Institute and which dealt with the training of utility company operators and Federal and State inspectors.

Work in the Large Diameter Polyolefin Piping Division consists of various programs aimed at expanding the acceptance of plastics into areas of good prospect. A compilation of case histories of different installations, coupled with our efforts to work with the Environmental Protection Agency on existing and proposed regulations, are directed at this objective. So are some activities such as the preparation of an industrial brochure, a film and a manual of practice.

Along with these, the other ongoing activities of PPI continue to provide much needed services to the industry. The diversity of such programs, from technical activities including its Hydrostatic Stress Committee and the updating of technical reports and literature, to the continued participation/representation with numerous standards-writing organizations and Federal agencies attest to the continuing PPI commitment to the entire thermoplastics pipe industry.

Polymeric Materials Producers Division

In view of the broad and diverse interests of its members, the Division will concentrate its efforts in those areas which impact on the entire membership. Three areas were identified: energy and feedstocks, industrial health, and industry support.

An Energy Committee was formed to work with the Public Affairs Committee issue coordinator in communicating to the Department of Energy the plastic industry's need for a sufficient supply of feedstocks if it is to continue to meet critical industry as well as consumer needs.

Profile Extruders Division

The division's meeting in October, 1979 featured speakers on micro-processing and the availability of plasticizers, plus a tour of a technical facility. The combined meeting of the division and the Vinyl Siding Institute had an attendance of 220 persons, setting a new record.

Membership of the burgeoning Window and Door Committee reached 84 members. The committee was very active in the area of standards development. A definitional standard is currently being balloted by the American Society for Testing and Materials. If approved, it will appear in the ASTM "Grey Pages" as a "Proposal." A performance standard was also submitted to ASTM. Material Specifications, Impact Resist-

ance, Weatherability and Dimensional Stability Task Forces were organized and are developing respective sections of the proposed ASTM standard.

The division obtained company approvals for a Window and Door Statistical Survey to be instituted in 1980.

Reinforced Plastics/Composites Institute

Attendance at the 35th Annual Conference of the Institute came close to the record-breaking attendance figure of the previous year. Strong attendance was noteworthy in light of the economic decline that had begun to affect the RP industry in the fourth quarter of 1979. Planning for the 36th Annual Conference, to be held February 16-20, 1981, began with a call for papers.

A delegation of qualified representatives from a broad fabricator spectrum within the RP industry visited Sweden to observe the technology and engineering controls developed to comply with the relatively tight Swedish regulation on occupational exposure to styrene.

At the conclusion of 1979-80 fiscal year, 66 percent of the target of \$1.44 million was collected to support the health studies program. The RP/C Occupational Health Steering Committee published a 10-page pamphlet reporting on progress in this area. A morbidity study was completed which found no adverse effects among workers exposed to styrene in a plant which meets the present standards. All styrene references in the world literature were indexed by computer so that they will be readily accessible.

Two test methods were completed by the Resins Committee and will be republished in book form. Work on development of a quality assurance code and an acoustic emissions test method

for chemical process equipment moved forward.

The first edition of a newsletter focusing on issues important to the Plumbing Fixtures Committee was developed and distributed. The Panel Council's proposed product standard was published by the American Society for Testing and Materials. The Distributors Committee made its debut at the annual conference with a successful institutional booth and a brochure on this segment of the industry's role as "critical link" between suppliers and small molders.

A request for the formation of a Fillers and Additives Committee was approved by the Policy Committee. At the direction of the Policy Committee staff established liaison with the staff of the Fiberglass Fabrication Association, a new trade group of small processors.

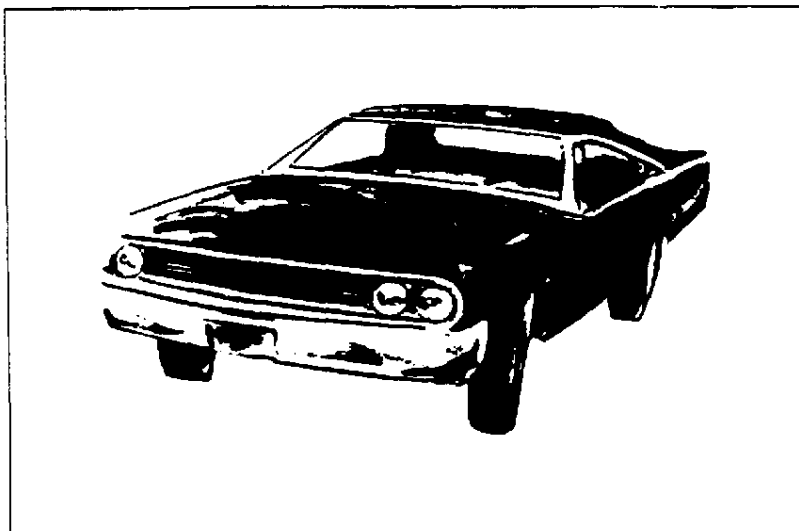
Rigid Plastic Container Division

A major membership recruiting drive got underway, focused on an annual management conference. The first such conference was part of the March Annual Meeting, and included speakers on feedstock supply, Food and Drug Administration activity, public relations, small business financing, and SPI activities.

The division continues to monitor trade activities that may require member action and to develop technical programs as needed.

Sheet Producers Management Division

The division reviewed its organizational structure and established standing committees which include: Em-



Employee Practices, Energy Conservation, Membership Promotion, Statistics, Technical and Trade Practices.

The Employee Practices Committee began conducting a labor survey. The Energy Conservation Committee polled the membership to obtain input on energy usage and conservation suggestions.

The division received excellent participation in its revised statistical program on "Shipments and Unfilled Orders for Extruded Sheet by Material." The first quarterly statistical report is under preparation.

The Technical Committee decided to focus on the objective of developing recommended standards for acrylonitrile-butadiene-styrene and polyethylene sheet.

Structural Foam Division

"The Expanding Challenges of the 80's" was the theme of the Eighth Annual Structural Foam Conference and Parts Competition, which attracted a re-

cord 518 attendees. The conference program featured 19 presentations on techniques, case histories and present and potential markets for structural foam parts. Fifty-six structural foam products were entered in the Parts Competition. Six awards were presented to first and second place winners for functional application, innovative design, and conference award.

The Combustibility Committee's "Large Scale Fire Test Program on Electrical and Electronic Equipment and Appliance Enclosures" entered its third and final phase.

The Membership Committee continued its efforts, concentrating on new member contacts made at the annual conference.

The Machinery Committee began development of a recommended standard for the "Construction, Care and Use of Injection Molding Machines for the Manufacture of Thermoplastic Structural Foam," which will eventually be promulgated through a recognized standards-making organization.

Urethane Division

The division continued to sponsor a comprehensive communications and educational program to publicize the industry's position on flexible urethane foam applications and the combustibility issue.

The division published a brochure "Using Flexible Polyurethane Foams Safely," for distribution to consumer groups and other interested organizations. The publicity program to promote flexible urethane foam in bedding and cushioning was also continued.

A number of research testing programs were initiated, including studies on ambient and accelerated R-values of rigid foams, fatigue characteristics of flexible foams and combustibility studies of both rigid and flexible foams.

An educational program on the essential use of fluorocarbon blowing agents in urethane foams was undertaken. An informational bulletin entitled "The Importance of Fluorocarbons and Polyurethane Foams" was published by the Division.

Vinyl Formulators Division

Formerly the Vinyl Dispersions Division, this unit now represents all PVC formulators. To assist vinyl formulators in coping with the 80's, the division established: a Legislative and Regulatory Committee to monitor and report on issues of import to members; a Technology Committee to advise the division on all technological issues for concern and/or action and a Membership and Attendance Committee to stimulate participation. Emphasis will be on the vital importance of SPI as a unification source and base for efforts to cope with the mass complexity of legislation, regulation and technology.

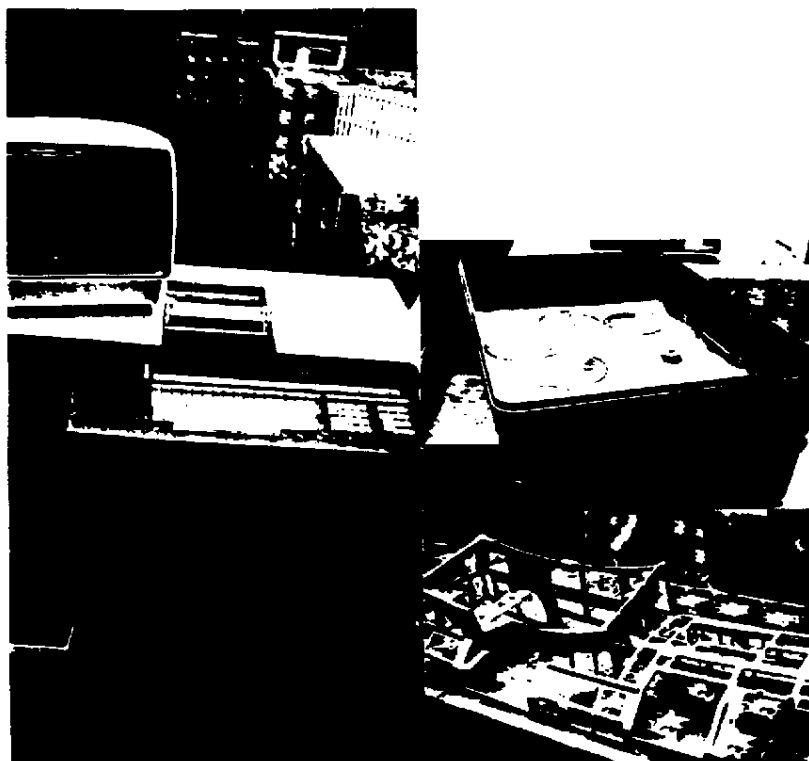
"Vinyl Formulating—the 80's," the Sixth Vinyl Formulators Seminar, was well attended.

Vinyl Siding Institute

Formerly the Vinyl Siding Products Division, the Vinyl Siding Institute is a self-funded operating unit with an annual budget for marketing and technical programs.

The Weatherability Committee distributed a two-year Interim Weathering Report. A product standard (ASTM D 3679) was adopted and published by the American Society for Testing and Materials. The Institute's technical group was active in contributing input on the proposed standard.

The Marketing Committee began development of a public relations program. The Institute's Code Committee made personal contact with all the code groups in the United States in a continuing effort to obtain acceptance for vinyl siding.



Parts Competition Awards were presented in three categories at the Eighth Annual Structural Foam Conference and Parts Competition. First Place, Conference Award was presented for a B91 cabinet (left), a computer terminal work station, molded as a one-piece structure by Ex-Cell-O Corp., Athens, Tenn. First Place, Functional Application Award was given for an anti-personnel mine case (top, right), constructed so that on the launching pad, the top part of the structure breaks away, releasing the explosives-containing canisters within. The part was molded by Monitor Molded Products, Tacoma, Wash. First Place, Innovative Design Award was presented for an instrument panel retainer (right, bottom), used in the 1980 Chevrolet Citation. The retainer features a lattice-work structure that is lightweight, while maintaining structural strength. The part was molded by Chevrolet Adrian Manufacturing, Adrian, Mich. Fifty-six structural foam products were entered in the Parts Competition.

COMMITTEES

Committee on Distribution

Two surveys were conducted on distribution performance measurement methods. The first was an update of the qualitative survey to ascertain what measurements and criteria are being employed by member companies to measure distribution performance.

The second survey was an update of the 1977 quantitative survey aimed at developing valid statistics pertinent to distribution patterns in the plastics industry. Committee members were also surveyed to obtain the current status of member companies' metrication efforts in the areas of packaging, labeling, orders and related shipping and distribution documents.

The Tank and Hopper Car Utilization Surveys were completed and distributed. A Rail Services Task Force was organized to gather data to illustrate to the railroads the need to improve rail service.

The semi-annual meeting held in October featured a workshop on "Distribution Organizational Structures and Philosophies." The conference coincided with the publication of *Issue No. 4—Organization Charts*, submitted by member companies.

A meeting of the VCM Emergency Response Committee was held in April to refine the procedures regarding reporting of and assisting at accidents involving VCM. This mutual assistance program will continue as a cooperative effort with the Chemical Manufacturers Association (Chemtrec).

A Marine Distribution Subcommittee meeting was held in December, 1979 and presentations made by container and barge companies, representing another step in the constant surveillance of the state-of-the-art as it relates to the marine distribution of plastic resins.

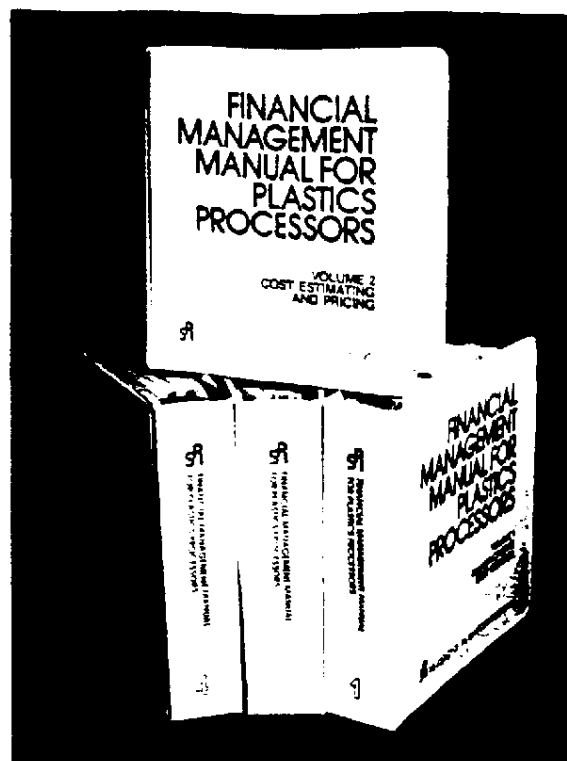
It was agreed to merge this committee with the Committee on Transportation, effective in June 1980, to form the Committee on Transportation and Distribution.

Financial Management Committee

The fourth and final volume of the *Financial Management Manual for Plastics Processors* was completed. Volume IV focused on "Materials Management." As an outgrowth of the Manual, the committee agreed to consider a seminar on computerized manufacturing and financial management systems.

The committee began organizing a

The Financial Management Committee completed the fourth and final volume of its *Financial Management Manual for Plastics Processors*. Volume IV focused on "Materials Management."



two-day seminar on Risk Management and Insurance, scheduled for early October, 1980. The presentation will be tailored to address the particular concerns of the plastics processing industry.

The 41st Annual Labor Survey (1979) was published in January, 1980, and the 18th Annual Financial and Operating Ratios Survey, covering 1979, was conducted.

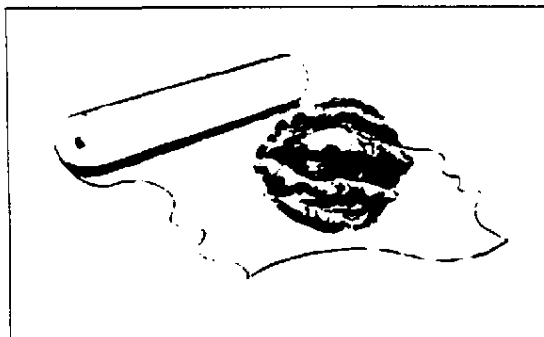
In conjunction with Ernst & Whinney, the committee embarked on the development of a series of articles on business management topics to appear in

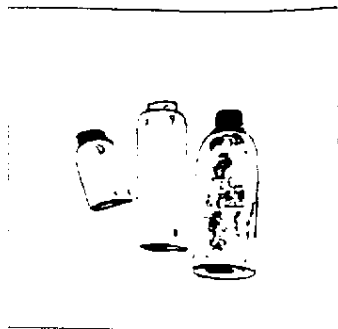
SPI's *News Briefs*. The purpose is to publicize the services provided by the committee in general and the *Financial Management Manual* in particular.

Food, Drug and Cosmetic Packaging Materials Committee

The committee continued to monitor and report on activities at the U.S. Food and Drug Administration which impact on the plastics industry.

At its semi-annual meeting, the group held a successful series of subcommit-





tee meetings in which all interested members were able to hear and discuss the latest developments in their areas of concern and to participate in decisions on activities to support the SPI effort to promote government acceptance of plastic food, drug and cosmetic packaging. The subcommittees involved were: Technical Information, Lawyers Advisory, Drug Packaging, Medical Devices and International.

International Committee

The committee made extensive preparations for a Trade Mission/Technical Seminar to the People's Republic of China. The seminar, which took place in June, 1980, involved the participation of 16 people who visited Beijing, Nanking and Shanghai.

Videotape/Catalog Exhibition No. 2 was sponsored in the March-April period. Twenty firms participated. VCE No. 2, translated into French, was presented in Morocco, Tunisia, Kenya and Nigeria. The videotape was then shown at the Leipzig Trade Fair, East Germany, and INCHEBA Trade Fair, Bratislava, Czechoslovakia. SPI participated in the exhibit, promoting NPE '82. The committee began planning for a trade mission to Nigeria, Kenya and Egypt for the fall of 1980 as a follow-up to the leads developed from VCE No. 2.

The committee assisted in the organization, development and promotion of the Commerce Department's Trade Center Exhibition in Mexico City. Work was conducted on the development of a long range (five years) export promotional program for the U.S. plastics industry in conjunction with the Commerce Department's Specialized Assistance Campaign. The committee completed its work on the Multilateral Trade Negotiations bill, which Congress passed and President Carter signed into law.

Committee on Resin Statistics

Responsibility for the Plastics Pipe Institute's Monthly Statistical Report of Shipments of Thermoplastics Pipe & Fittings was transferred to this committee effective January 1980.

Data for the initial International Statis-

tics Report were received. The committee is reviewing these before the report is issued. The committee is also investigating the feasibility of collecting data on plastics feedstocks and additives.

The 1979 edition of *Facts and Figures* and the 1978 *Major Markets Report* were published in the fall of 1979.

The CRS formed subcommittees on International Statistics, Plastics Pipe & Fittings, Auto End-Use, Appliance End-Use and Thermoplastic Polyester. Each new group is designed to satisfy the broad spectrum of special interests of SPI members.

Committee on Transportation

Rail and motor carrier tariff changes constituted the prime focus of activities of this committee during 1979-80. Of prime import to the plastics industry from a dollar impact standpoint, was the railroads' decision to forego approximately 60 percent of their October general freight rate increase with respect to plastic resins. Resins moving in bulk were subject to an increase of 2.4 percent nationwide, as contrasted with the general increase level applied to most other commodities which varied from 6.4 percent in the South to 9 percent in the East. It is estimated that this hold-down will save the industry approximately \$12.5 million, as compared with the general level of increase on an annual recurring basis.

Plastic resins received another hold-down on a general freight increase, effective in July, 1980, in the South and the West, and on September 1, 1980 in the East. The general level of increase is eight percent in and between the East and the West, and four percent in the South and between the South and both the East and the West. The railroads' increase for plastic resins was reduced from the eight percent level in and between the East and the West to four percent, thereby implementing a uniform nationwide increase.

Originally, the railroads proposed a seven percent increase in the West and five percent in the East, but reduced those levels to four percent after substantial opposition was expressed by the Committee and by industry members individually. The savings to the industry as measured against the original proposals will amount to \$2.9 million, and when compared to the eight percent general increase level will amount to \$6.9 million on an annual recurring basis.

The committee's Statement on Deregulation was approved by the SPI Board for release to government and legislative officials.

It was agreed to merge this committee with the Committee on Distribution, effective in June 1980.



The International Committee made extensive preparations for a Trade Mission/Technical Seminar to the People's Republic of China. The group of 16 saw several molding and machinery plants, and visited Beijing, Nanking and Shanghai.

SPECIAL PURPOSE GROUPS

Appliance Council

The Council chairman cooperated with the SPI statistical department in the development of appliance/resin statistics. Both the chairman and the staff director monitored regulations and advised interested members.

Housewares Manufacturers Group

The group agreed to drop proposed Standard 56J on Combustible Solid Supplies in Health Care Facilities due to repetition/duplication of existing standards. The group submitted data relative to a ban on plastic refuse containers in Baytown, Texas.

Microwave Oven Cookware Group

An ad-hoc committee for several years, this group became an official SPI operating unit.

The group published a booklet entitled "Recommendations for Labelling and Glossary—Plastics Cookware for Microwave Ovens" for distribution by manufacturers and material suppliers.

The first of the formal educational programs to be included as part of the group's activities was a talk by Rose Rennekamp, product manager for Radarange Microwave Ovens.

After two years of preliminary development activities by SPI, the American Society for Testing and Materials formed a Task Force to undertake the promulgation of microwave oven cookware standards with initial emphasis on plastics ware.

A Marketing Committee was set up to

promote the group's products. Liaison was established with the International Microwave Power Institute and the Single Service Institute, and this liaison will continue to be maintained.

Plastics in Construction Council

Activity on behalf of the plastics industry in regard to specific regulations and code standardization occupied a major portion of the council's activities.

The most active committee within the council was the Insulation Committee. Working with the Urethane Division and the EPS Division, the council was in the process of updating both the Building Officials and Code Administrators' model code as well as the Southern Building Code with regard to a position that is consistent with other model code groups. In addition, several states and major city building departments were contacted concerning problems with the "responsible application" of foam plastics.

Plastics Drum Institute

Dialogue continued between members of the institute and representatives of the Department of Transportation and the Occupational Safety and Health Administration concerning regulations that impact on the 55-gallon containers.

A draft of the institute's technical bulletin on closures was distributed for comment. Work was conducted on a bulletin, "Recommendation for Precautionary Labeling of Reusable Industrial Plastic Containers."

The membership agreed to partici-

pate in rail impact tests with the Association of American Railroads.

A Re-Use Committee was established to investigate round robin testing to evaluate the reconditioning and reusability of plastic drums. The committee is presently obtaining participation commitments from chemical companies and reconditioners.

Plastics Packaging Strategy Group

The financial support of this group was particularly fruitful this past year. The Supreme Court decision from the state of Minnesota confirmed the unconstitutionality of that state's law precluding the use of nonreturnable plastic milk bottles. The First Circuit Court in Hawaii determined the unconstitutionality of the proposed plastic beverage container ban. Support was given to the Plastic Bottle Institute's petition to the Bureau of Alcohol, Tobacco and Firearms to obtain approval for the packaging of alcoholic beverages in polyvinyl chloride.

Polystyrene Safety Group

The group received updates at its November 1979 and March 1980 meetings on the Arthur D. Little study contracted by the Food and Drug Administration. The study compares the extractions of monomers from crystal polystyrene by food simulating solvents to those of actual foods. Group members provided input to Arthur D. Little regarding its upcoming study of high-impact polystyrene.

The group planned further testing at Southwest Research Institute to augment its previous living room test program.

Vinyl Film Group

This group was reactivated during the year and met twice to consider future programs. Group members agreed to undertake a quarterly statistical program on end use applications for vinyl film and sheeting in areas such as automotive, bags, construction, furniture and housewares, house furnishings, industrial and medical products.

A campaign to solicit new members got underway. The group is considering the sponsorship of a Vinyl Film and Sheeting Conference in 1981.



"Recommendations for Labelling and Glossary—Plastics Cookware for Microwave Ovens" was the subject of a booklet published by the Microwave Oven Cookware Group.

Financial Statements

Balance Sheets

May 31, 1980 and 1979

	1980	1979
Assets		
Current assets:		
Cash in checking accounts and on hand	\$ 7,266	59,408
Savings deposits	21,427	20,010
Short-term investments, at cost (which approximates market)	4,495,283	4,895,318
Receivables:		
Membership dues	886	15,080
Other	40,777	13,724
Less allowance for doubtful accounts	(1,386)	(10,711)
Net membership dues and other receivables	40,277	18,093
Accrued interest	141,699	115,984
Prepaid expenses and other current assets	23,061	16,527
Deferred charges—1979 National Plastics Exposition	—	1,145,164
Total current assets	4,729,013	6,270,504
Fixed Assets:		
Furniture and equipment	220,113	192,261
Leasehold improvements	106,873	73,322
	326,986	265,583
Less accumulated depreciation and amortization	(113,811)	(84,516)
	213,175	181,067
Deferred charges—1982 National Plastics Exposition	121,846	—
Other assets	24,327	18,210
Total Assets	\$5,088,361	\$6,469,781
Liabilities and Fund Balances		
Current liabilities:		
Cash overdraft	\$ 220,896	\$ 95,006
Accounts payable and accrued expenses	616,292	568,627
Unearned membership dues	65,646	33,624
Deferred revenue—1979 National Plastics Exposition	—	2,318,540
Total current liabilities	902,834	3,015,797
Fund balances:		
General fund:		
Unappropriated	269,547	278,547
Appropriated (note 6)	2,656,816	1,782,022
	2,926,363	2,060,569
Special projects funds	1,259,164	1,393,415
Total fund balances	4,185,527	3,453,984
Total liabilities and fund balances	\$5,088,361	6,469,781

See accompanying notes to financial statements.

Statements of Revenues and Expenses

Years ended May 31, 1980 and 1979

	1980	1979
Revenues:		
Membership dues	\$4,399,298	\$4,145,888
Interest	635,889	402,581
Sales of literature	73,277	83,924
Special projects	3,480,987	3,039,534
Other	34,653	38,884
	8,624,104	7,710,811
Expenses:		
Direct		
Membership services:		
Legal and consulting	650,745	561,501
Communications (public relations)	121,217	96,116
Administrative	201,638	141,320
Membership promotion	54,013	33,098
Directory	22,077	24,206
Special projects—research, development, legislative and public relations	3,480,987	3,039,534
Service operating units	186,988	171,055
Divisions and groups	135,156	80,475
Regional offices	220,511	155,474
Public affairs committee	1,198,529	1,428,905
Chemical Industry Trade Advisor	2,000	2,000
Indirect program, administrative and general:		
Salaries and employee benefits	1,688,921	1,429,441
Office supplies and expenses	356,056	299,784
Rent	150,635	123,261
Auditing and computer services	64,483	60,220
Provision for depreciation and amortization	32,576	27,442
Provision for doubtful accounts	(26,845)	5,194
Other	45,770	3,238
	8,585,457	7,682,264
Less allocation of administrative expenses to National Expositions	230,900	250,000
	8,354,557	7,432,264
Excess of revenues over direct and indirect expenses	269,547	278,547
Product liability expenses	—	(36,425)
1979 National Plastics Exposition revenues, net of related expenses of \$1,980,103	674,470	—
Write-off of special project deficit balances:		
Accounting manual project	(50,445)	—
Plastics Hall of Fame	(27,778)	—
Excess of revenues over expenses	\$ 865,794	\$ 242,122

See accompanying notes to financial statements.

SPI-22225

Statements of Changes in Financial Position
Years ended May 31, 1980 and 1979

	1980	1979
Funds were provided by:		
Excess of revenues over expenses	\$ 865,794	\$ 242,122
Add (deduct) items not requiring (providing) funds		
Depreciation and amortization	32,576	27,442
Gain on trade-in of fixed assets	—	(120)
Funds provided by operations	898,370	269,444
Decrease in non-current deferred charges	—	310,018
Increase in special project funds balances	—	219,885
Total funds provided	898,370	799,347
Funds were used for:		
Purchase of fixed assets	64,684	34,967
Increase in non-current deferred charges	121,846	—
Decrease in special project funds balances	134,251	—
Increase in other assets	6,117	7,645
Decrease in non-current deferred revenues	—	73,845
Total funds used	326,898	116,457
Increase in working capital	\$ 571,472	\$ 682,890
Analysis of changes in working capital:		
Increase (decrease) in current assets:		
Cash	(52,142)	52,975
Savings deposits	1,417	1,214
Short-term investments	(400,035)	1,842,045
Net membership dues and other receivables	22,184	(3,842)
Accrued interest	25,715	57,105
Prepaid expenses and other current assets	6,534	11,059
Deferred charges—1979 National Plastics Exposition	(1,145,164)	1,145,164
	(1,541,491)	3,105,720
Decrease (increase) in current liabilities:		
Cash overdraft	(125,890)	(47,064)
Accounts payable and accrued expenses	(47,665)	(80,756)
Unearned membership dues	(32,022)	23,530
Deferred revenue—1979 National Plastics Exposition	2,318,540	(2,318,540)
	2,112,963	(2,422,830)
Increase in working capital	\$ 571,472	\$ 682,890

See accompanying notes to financial statements.

Statements of Changes in Fund Balances

Years ended May 31, 1980 and 1979

	1980		1979	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year	\$2,060,569	\$1,393,415	\$1,818,447	\$1,173,530
Excess of revenues over expenses	865,794	—	242,122	—
Special projects funds additions				
Assessments	—	2,123,769	—	2,039,898
Meetings and conferences	—	888,381	—	812,723
Sales of literature	—	131,299	—	109,286
Contributions in support of special programs	—	41,500	—	60,846
Budgeted general fund appropriations	—	95,587	—	300,000
Other	—	1,413	—	4,888
Special projects funds transferred to general fund revenues and expended	—	(3,480,987)	—	(3,039,534)
Appropriated funds expended	—	(13,436)	—	(68,222)
Write-off of special project deficit balances:				
Accounting manual project	—	50,445	—	—
Plastics Hall of Fame	—	27,778	—	—
Balances at end of year	\$2,926,363	\$1,259,164	\$2,060,569	\$1,393,415

See accompanying notes to financial statements.

Notes to Financial Statements

May 31, 1980 and 1979

(1) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects and certain budgeted general fund appropriations. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes, except that the budgeted general fund appropriations are expensed when appropriated.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Other significant accounting policies are set forth in the financial statements and the following notes.

(2) Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1980 and 1979 aggregated \$96,022 and \$70,470, respectively. Unfunded past service costs amounted to \$95,907 at June 1, 1979, the most recent plan valuation date. Such costs are being amortized over a ten-year period. At June 1, 1979, the assets of the fund exceeded the present value of the participants' vested benefits.

(3) Products Research Committee Funds

Effective December 3, 1974, the Society executed a consent order with the Federal Trade Commission which required, among other things, the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The Society is custodian of the Committee's funds and, at May 31, 1980, held \$318,875 (\$621,795 in 1979) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

(4) Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgements for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$172,673 per year. The lease expires in 1985.

Certain leases are subject to escalation provisions based on real estate taxes and building maintenance costs.

(5) Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1981	\$229,944
1982	224,268
1983	224,268
1984	222,806
1985	196,395
1986	<u>8,751</u>

(6) Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	1980	1979
Capital improvements	\$ 8,074	\$ 7,196
Other	<u>2,648,742</u>	<u>1,774,826</u>
	<u>\$2,656,816</u>	<u>\$1,782,022</u>

Auditors' Report



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

345 Park Avenue
New York, New York 10154

The Board of Directors
The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1980 and 1979 and the related statements of revenues and expenses, changes in fund balances, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1980 and 1979 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 21, 1980

Peat, Marwick, Mitchell & Co.

Officers and Directors 1980-1981

OFFICERS



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South Bend, Indiana
MIDWEST SECTION



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Package Machinery Co.
East Longmeadow, Massachusetts
NEW ENGLAND SECTION



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La Palma, California
WESTERN SECTION

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West Warwick, Rhode Island
EPOXY RESIN FORMULATORS



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EXPANDED POLYSTYRENE



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Elmhurst, Illinois
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Batavia, Ohio
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Princeton, New Jersey
ORGANIC PEROXIDE
PRODUCERS SAFETY



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Toledo, Ohio
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Port Clinton, Ohio
PLASTIC BOTTLE INSTITUTE



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Wilmington, Delaware
PLASTICS PIPE INSTITUTE



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Middlefield, Ohio
PROFILE EXTRUDERS



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Shell Chemical Co.
Houston, Texas
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PRODUCERS



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Ashland, Kentucky
REINFORCED PLASTICS/
COMPOSITES INSTITUTE



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Middletown, Delaware
RIGID PLASTIC CONTAINER



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Grand Prairie, Texas
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Ludlow, Massachusetts
STRUCTURAL FOAM



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New Haven, Connecticut
URETHANE



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Term expires May 31, 1981



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Wooster, Ohio



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Winfield, Kansas



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Gulf Oil Chemical Co.
Houston, Texas



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Binks Manufacturing Co.
South San Francisco, California



JOHN H. SCHROEDER
Crescent Plastics, Inc.
Evansville, Indiana



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Borg-Warner Chemicals
Parkersburg, West Virginia

Term expires May 31, 1982



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Omaha, Nebraska



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Dow Chemical U.S.A.
Midland, Michigan



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Skokie, Illinois



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Toledo, Ohio



JAMES N. QUINN
The Budd Co.
Troy, Michigan



RICHARD T. STUDER
HPM Corp.
Mt. Gilead, Ohio

Term expires May 31, 1983



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Monsanto Plastics & Resins Co.
St. Louis, Mo.



W. JOHN GALVIN
Burton Tool & Die Co.
Leominster, Massachusetts



WILLIAM M. GUTHRIE
Phillips Chemical Co.
Bartlesville, Oklahoma



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Wichita, Kansas



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Hillsboro, Oregon



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Minneapolis, Minnesota

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Polymeric Materials Producers Div

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Secretary to the Board

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Committee on Transportation
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Staff Director
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Coordinating Committee on Consumer
Safety (PAC)
Organic Peroxide Producers Safety
Division
Products Liability Committee (PAC)
PVC Meat Wrap Ad-Hoc Committee
Vinyl Film Group
Vinyl Formulators Division
Radio Frequency Heating Committee

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Staff Director
Machinery Division
National Plastics Exposition

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Staff Director
Committee on Resin Statistics
Financial Management Committee
International Committee

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Director of Federal Government Relations

AILEEN GORSCHMAN
Information Specialist Public
Relations

JOHN GRAHAM
Communications Specialist Public
Relations

HOWARD KIBBEL
Marketing Analyst

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Plastics Pipe Institute
Manager
Plastics in Construction Council

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Staff Director
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PVC Safety Group

FRAN WALKER LICHTENBERG
Assistant Technical Director
Staff Director
Toxicology Committee (PAC)

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Reinforced Plastics Composites Institute

ROBERT MALLIA
Controller

JOHN MALLOY
Director of Packaging Services
Staff Director
Foam Cup & Container Division
Food, Drug & Cosmetic Packaging
Material Committee
Plastic Beverage Container Division
Plastic Bottle Institute
Rigid Plastic Container Division

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Fluoropolymers Division
Plastics Drum Institute
Sheet Producers Management Division
Structural Foam Division

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General Manager

STAN MRUK
Technical Director
Plastics Pipe Institute

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Governmental Affairs Director
Staff Director
Public Affairs Committee
State Governmental Affairs Committee

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Reinforced Plastics/Composites
Institute

RAFAEL RIVERA
Production Supervisor

MEREDITH SCHECK
Federal Government Relations Representative

AMY STRAVITZ
Office Manager

HUGH PATRICK TONER
Manager
Urethane Division
Staff Director
AN Polymers Group (PAC)
Ad-Hoc Epichlorohydrin Committee
(PAC)
Epoxy Resin Formulators Division
Ad-Hoc PET Safety Committee (PAC)

JOHN WEIGLY
Membership Director

Eastern Section
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Manager, Midwest Section
Staff Director
Midwest Section
Moldmakers Division
Molders Division

MARGARET SHALLCROSS
Assistant Midwest Manager
Staff Director
Expanded Polystyrene Division

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Framingham, Massachusetts 01701
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Manager, New England Section

Western Section
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12440 Firestone Boulevard
Norwalk, California 90650
213/864-2793

HERB OSBORNE
Manager, Western Section

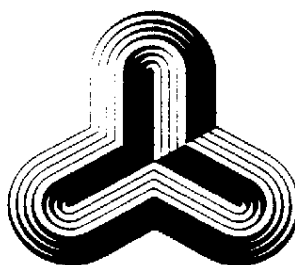
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Assistant Western Manager

Legal Counsel
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Washington, D.C. 20036
202/457-1100

JEROME H. HECKMAN
(SPI General Counsel)

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WAYNE V. BLACK
MARTIN W. BERCOVICI
JOHN S. ELDRED
JOHN B. DUBECK
CHRISTINE A. MEAGHER
LAWRENCE P. HALPRIN
DEBORAH S. TRINKER
EDWARD L. KORWEK

DR. DANIEL S. DIXLER
(Technical Consultant)



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(202) 298-7200

SPI-22233

1980-1981 Officers and Directors

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Shell Chemical Co.
Houston, Texas

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Mercury Plastics, Inc.
Middlefield, Ohio

RPIC INSTITUTE

JAMES H. DAVIS
Ashland Oil, Inc.
Ashland, Kentucky

RIGID PLASTIC CONTAINER

ROBERT W. MILLER
Hercules, Inc.
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Term expires May 31, 1983

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Hillsboro, Oregon

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Minneapolis, Minnesota

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Term expires May 31, 1981

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Wooster, Ohio

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Gott Corp.
Winfield, Kansas

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Northern Petrochemical
Omaha, Nebraska

CONSTANCE FLINDT

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Skokie, Illinois

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Wixom, Michigan

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Owens-Illinois, Inc.
Toledo, Ohio

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The Budd Co.
Troy, Michigan

RICHARD T. STUDER

HPM Corp.
Mt. Gilead, Ohio

Chairman's Report

This past year has been an eventful one for SPI.

The unfortunate illness that struck our president, Ralph Harding, has cast its shadow over the entire period. From a personal point of view, I regret deeply that I was not able to continue to work with him.

Ralph Harding and I spent many hours discussing what might be done to strengthen SPI, recognizing its realized growth, the serious challenges it faces at this juncture in its history, and the dynamic approach it must take as it looks to the future.

Although some of the many ideas we explored have been translated into action, much had to be deferred until SPI's management team is back at full strength.

However, we are pleased to be able to report that a number of basic steps were taken. SPI's Mission Statement was updated and clarified, thus providing a firm base for planning for the future. Moreover, the responsibilities of the various Standing Board committees have been redefined, to emphasize that they have a responsibility to play a more active, creative role in charting the affairs of SPI.

In addition, the Board has redrawn the responsibilities of the President, taking cognizance of SPI's extraordinarily diverse internal and external functions.

The Planning and Salary Committees' work to define and improve SPI organizational structure helped to clarify what the Society must provide, now and in the future, to insure the kind of top quality services our membership requires, and the capability to deal with the kind of vital public issues that an organization representing an industry the size of the plastics industry must have.

The work of these committees and others involved in this important task must come to a rapid conclusion. In my judgment, the SPI staff is, at present, overworked, and lacking in middle management depth. In short, the burden is too great on too few, to achieve the kind of effective management and coordination required in the dynamic situations in which SPI is constantly involved.

The job of finding a new president for SPI is well under way. This process might have proceeded more

rapidly, someone could say. However, I believe that the Executive Committee used sound judgment in holding this position open until Ralph Harding's doctors could render a considered opinion as to the prospects of his return to that office. The great respect that the Executive Committee, and all of us, hold for Ralph, along with our gratitude for his contributions to SPI over so many years, combined to convince us that, in good conscience, no other course was possible.

Under the leadership of General Manager Tom McGrath, the SPI staff has done an exceptional job of keeping the organizational wheels turning. Their efforts are much appreciated. An extra burden has fallen on the shoulders of SPI's Board members who have played a strong role in our society's many accomplishments during the past year. In this regard, I want to take special note — and pay tribute to — the members of the Board's standing committees who have worked so diligently over the past twelve months.

As I conclude my term as Chairman, I look back on my long years of association with SPI. I treasure the recollection of the many important accomplishments that I have witnessed during those years.

It has been a very real pleasure, in the course of my SPI association, to work closely with so many people of fine character. I know that SPI will continue to grow in value to its members under the leadership of the new Chairman, Jim Hearons, and Vice Chairman, Bill Sessions. I am sure they will receive the same excellent assistance that I have had from our treasurer, Bill Mericle, and our secretary, Tony Bradbury.

SPI is in good hands for the coming year, I am sure.



IVAR A. LUNDGAARD
Chairman



SPI Public Affairs Committee

Basically SPI's Public Affairs Committee (PAC) is the result of the industry's recognition in the very early '70's that external forces were affecting our marketing abilities and the realization that assuring the plastics industry freedom to market its products involved a whole new spectrum of public issues reaching far beyond the marketplace. The principal current issues are toxicology, combustibility, solid waste and, most recently, energy. The role of PAC is to coordinate and manage the response of the plastics industry to issues like these.

PAC is composed of representatives of member companies selected by the Board. It reports directly to the Executive Committee of the Board of Directors.

The present structure of PAC is based on the following considerations:

- 1) The necessity for an umbrella structure to provide up-to-date and comprehensive information, legislative monitoring and contact, public relations, and other support programs. PAC's inclusive structure also has the responsibility for industry-wide issues such as energy.
- 2) To provide the kind of specific expertise that a more narrow issue requires. To accomplish this, PAC created the concept of Issue Coordinator. Each Issue Coordinator is responsible for maintaining an up-to-date and comprehensive understanding of a generic issue of concern to the industry. He provides background and expertise on the problems within his area of interest. He is the liaison between operating units dealing with the issues, the SPI staff, and the support services PAC provides. The Issue Coordinator has the knowledge and the resources to develop strategies, to recommend policy and to implement it.

When an issue concerns a clearly defined portion of the industry, ad hoc committees or special interest units are formed. Such a unit draws upon the expertise and support of PAC and its staff; coordinates its activities with other SPI activities, but is essentially autonomous.

PAC has structured itself to respond both to the fluidity of the issues confronting us and the diversity of the industry we represent.

Technical Support

The technical support activities of PAC are centered primarily in these committees: the Coordinating Committee on Consumer Safety, which handles matters dealing with combustibility of plastics; the Plastics Resource Recovery and Conservation Committee, which oversees technical activities in the solid waste area; the Toxicology Committee (now administered by the Polymeric Materials Products Division); the Committee on Occupational Safety and Health; the Energy Task Force and the Product Liability Committee.

In general terms, all these committees have as their prime function the gathering of technical, scientific, economic, or medical data in order to develop an

SPI position on a particular issue or to lend additional support to longstanding SPI positions. In some cases, these committees also develop and supervise the implementation of programs to promote the positions that have been developed. Their work, in many respects, is the bedrock of the PAC effort, for without technically sound data, it would be impossible for PAC legal, government relations and public relations experts to defend the industry successfully in the various public policy arenas.

PAC sometimes sponsors its own scientific research if such work is not being carried out by other responsible groups, or else it will use data gathered by others, but analyzed by PAC, to provide the necessary background for our issue-related efforts.

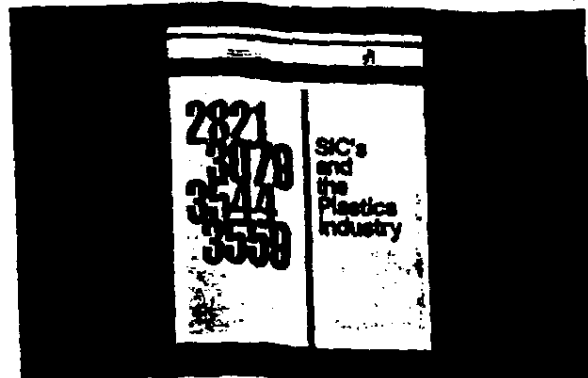
It should also be pointed out that these committees do not operate in a vacuum, but draw upon and provide expertise to divisions and other self-funded groups within SPI as well as to outside organizations whose goals coincide with those of the plastics industry.

PAC's close liaison with these groups, to share information and experience to avoid duplication of effort, has resulted in another benefit: the creation of a cadre of legal, technical, government and public relations personnel from both staff and outside counsel whose expertise can be called upon by other groups within SPI when the need arises.

In simple terms, the technical committees of PAC provide the ammunition that the other special units of PAC use in their ongoing battle with over-legislation and over-regulation.

Governmental Affairs

Again in the past year, SPI's in-place mechanism for monitoring of legislation, surveillance, and reporting, did an excellent job. Lobbyists were called upon for special services in 11 states. Member companies, through SPI's Support System, were alerted to dangerous situations and reacted strongly as required. As a result, no legislation regarded as a



Members of the Committee on Resin Statistics and staff worked closely with the U.S. Department of Commerce to bring about major changes in the Standard Industrial Classification (SIC) Codes dealing with plastic products. The revisions represent a major step toward improving collection of information about plastics markets.



Senator Robert J. Dole (R-KS), Chairman of the Senate Finance Committee (second from right) was among the featured speakers at the Annual Washington Meeting, January 28-30, 1981. Shown with Senator Dole are (left to right): SPI general manager Thomas J. McGrath; SPI chairman Ivar A. Lundgaard, E.I. du Pont de Nemours & Co.; Expanded Polystyrene Division chairman J. Michael Murray, EPS Industries, Inc., and director-at-large T.E. Branscum, Gott Corporation.

serious special threat to the industry was enacted — and during the year there were three outstanding successes:

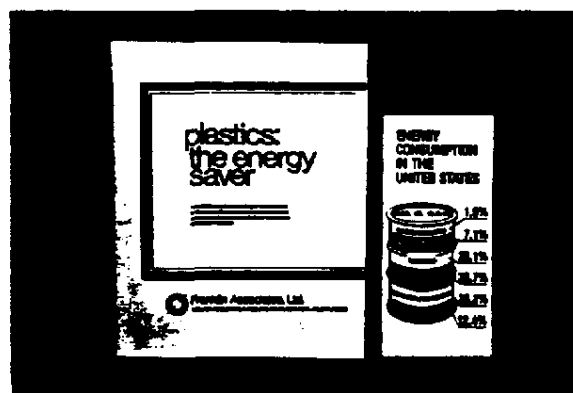
HAWAII: During the legislative session, an SPI-backed bill to remove the ban on plastic beverage containers was introduced and enacted.

MINNESOTA: After six years of effort, the SPI-led effort to eliminate the ban on non-returnable plastic milk bottles was successful. During the year, the United States Supreme Court overturned two lower court decisions and ruled that Minnesota's ban should go into effect. SPI was able to see that repealing legislation was introduced and formed a coalition of interested parties to work for its passage. SPI members in Minnesota cooperated enthusiastically, as a major lobbying effort was led by our legislative counsel in Minnesota. As a result, the repeal legislation was passed and signed by Governor Quie.

This had been a long-term activity, involving every aspect of our Governmental Affairs program. Although the original legislation was passed by the State in 1977, the ban was eventually overturned without ever going into effect. Thus another major market was kept open for the industry.

Also in Minnesota, SPI technical data and cooperation with the Minnesota Pollution Control Agency persuaded MPCA to withdraw support of a ban on plastic soft drink containers, thereby setting an important precedent.

MOLD RETENTION: In the last *Annual Report* we noted that legislation to relieve molders of the responsibility for retaining customer molds indefinitely had been enacted in California, Massachusetts and Minnesota. During the 1981 session, similar SPI-initiated legislation was passed in Illinois, Indiana, New York, Oregon, Rhode Island, and Vermont. At this writing mold retention bills are being actively considered by



The latest study on plastics and energy, conducted by Franklin Associates, Ltd. for SPI, showed that the nation's energy consumption would be increased substantially if plastics products were not available.

the Legislatures in Ohio and Michigan.

Molders in all these states have rallied around SPI's Section managers and have played key roles in passage of this important legislation. We hope that, with passage in so many of these important states, we have set a precedent which will make passage easier as this program is continued in the next legislative sessions.

Washington Activities

The year was highlighted by an expansion of the association's overall role in Washington, particularly in relations with Congress.

A legislative Agenda was developed for the first time in the association's history, detailing those issues on which the SPI wished the 97th Congress to work.

SPI Director Gene Branscum, President of Gott Corp., testified before the Senate Finance Committee in September to express the plastics industry's strong concern over the proposed Superfund bill and its potential cost impact on plastics processors.

SPI lobbied actively for the enactment of risk retention legislation to facilitate companies insuring them-

selves for product liability purposes.

SPI Director Bill Sessions, vice president of American Can Co., testified in May before the Senate Energy and Natural Resources Committee to urge that future oil shortages rely upon the free market rather than arbitrary government controls. He emphasized, though, the essentiality of plastics should any new end-use allocation system be created.

The Annual Washington Meeting in January featured addresses by: Sen. Robert Dole (R-KS), Chairman of the Senate Finance Committee; Sen. Robert Stafford (R-VT), Chairman of the Senate Environment and Public Works Committee and Sen. Paul Tsongas (D-MA). A record number of SPI member companies was represented.

A 10-member Federal Government Relations Steering Committee was created during the year to provide advice and counsel to the association in its Congressional relations. Extensive efforts continued to identify and involve in the SPI, the Washington Representatives of member companies. Several special issue briefings were held for the more than 80 companies with Washington offices.



An SPI-backed bill to remove the ban on plastic beverage containers was introduced and enacted in Hawaii.



After six years of effort, the SPI-led effort to eliminate the ban on non-returnable plastic milk bottles was successful in Minnesota.

NPE '82

Interest in SPI's 1982 National Plastics Exposition and Conference, scheduled for Chicago's McCormick Place, June 21-25, 1982, is running at peak level. At the drawing for space held in Chicago on April 15, 1981, 451 companies reserved 390,000 square feet of floor space, the entire exhibit capacity of McCormick Place. Even though a number of companies could not be accommodated at that time because of the virtually "sold-out" situation, additional requests for space continued to come in at a brisk pace from firms eager to participate in this important industry event.

The result: SPI has leased 45,000 square feet of additional space in McCormick West, a companion exposition hall adjacent to McCormick Place. This will bring the total exhibit area for NPE '82 to 425,000 square feet, an increase of almost 25% over the 341,000 square feet used by the 521 companies in NPE '79. It is anticipated that more than 600 company

names will be on the exhibitor roster by opening day.

Under the chairmanship of Raymond E. Ross of Cincinnati Milacron, a blueprint was designed to assure the show's success. Traditional programs for attracting top decision makers are being pursued. New programs, designed to win increased attendance from areas of the U.S. not heavily represented at past Expositions, as well as from overseas, are being added to the event's overall promotional activities, which are directed to major plastics end-use industries. Attendance at NPE '82 is expected to exceed 50,000 and to represent an exceptionally high buying influence.

Plans for the concurrent National Plastics Conference are in the advanced stage, with many of the 12 seminar programs and speakers identified. The sessions will cover subjects of key interest to Exposition visitors and will focus on the new economics of plastics, increased productivity, and better materials utilization. Highlighting the Conference will be innovative programs on Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM).

Operating Units

SECTIONS

Eastern Section

E-CON-VI, the section's annual meeting, was held in October 1980, with the theme: "1980 — Decade of Opportunity — 1989." Major markets outlooks, public relations, regulations, and environmental control were the topics covered.

The section's Board of Directors voted to merge the Greater New York Chapter into the Mid-Atlantic Chapter.

As a result of a poll of members of the Section's Mid-Atlantic Chapter, a new mix of dinner meetings and half-day seminars will take place. Revisions in meeting schedules are also being planned for the Southern Chapter with an annual meeting/outing planned for late March-early April.

Midwest Section

The section concentrated on developing legislative teams in the midwest states. Organized groups now exist in Michigan, Minnesota, Indiana and Ohio. In addition to providing worthwhile aid to molders and mold-

makers on storage problems, the teams are getting excellent experience in their state legislative practices.

In Michigan the Automotive Sub-Group held two Mini-Conferences, including one in April 1981 on financial and management topics. This subgroup became a Michigan chapter of the section, with interests that are broader than automotive.

New England Section

Molder members were instrumental in passage of mold retention legislation in Massachusetts, Vermont, and Rhode Island.

Twenty apprentices completed the first SPI Moldmaker Apprentice Training Program in December 1980. Plans were initiated for the second session, to start in early September 1981.

"The Effects of Influence" was the theme of the 36th Annual New England Conference, held in October 1980, with 235 attendees.

Under review by the New England Committee, the Guidebook on "Reducing Energy Costs in the Plastics Industry" was completed and distributed to members. An audio/visual program

was developed to be used at meetings and for loan to members.

Three committees were formed by the New England Board: Public Relations, Government Affairs, and Membership. These committees started development of objectives and working toward more membership involvement in regional activities.

Western Section

The section's Board accepted a proposal to amend the bylaws so that chapter officers will serve for two years to conform with divisions and the section.

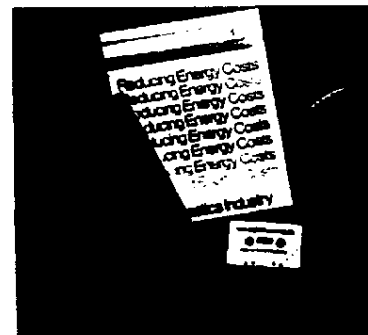
The 38th Annual Western Section Conference was held in May, 1981 with more than 600 registrants.

Molders Division members participated in meetings involving the formation of a new medical products group and a joint meeting involving communications problems and common needs of molders and mold-makers.

Legislative meetings were conducted in Houston in November 1980 and in Sacramento in February 1981.



Twenty apprentices completed the first SPI New England Moldmaker Apprentice Training Program in December 1980. Plans were initiated for future sessions.



A guidebook on "Reducing Energy Costs in the Plastics Industry" was completed and distributed to members. An audio/visual program on the subject was also developed.

DIVISIONS

Epoxy Resin Formulators Division

The division is proceeding with the printing of a "Test Method Manual." The manual will contain in a single volume all the updated ERF test methods and the associated American Society for Testing and Materials methods.

A first draft of a proposed major revision of the "Guide for Classifying and Labeling Epoxy Products According to their Hazardous Potentialities" was completed for review.

The Training Manual Task Force developed an outline for a training manual for new formulator employees.

Expanded Polystyrene Division

The Architectural Information Program, initiated and funded by the Material Manufacturers Subcommittee, was completed with the production of an exhibit booth displaying the EPS insulation industry generically at both the American Institute of Architects convention and the Construction Specifiers Institute show. This program will continue under the funded support of the material manufacturers and the block molder members of the division.

The Block and Insulation Board Committee produced a White Paper on EPS insulation for educational purposes. A slide/tape presentation was also developed.

The division's annual conference in March 1981 became its "First International EPS Conference" with 17 countries represented and U.S. members attending in record numbers.

Foam Cup and Container Division

The division continued its successful public relations campaign to promote the increased use of foam cups and containers for hot and cold drinks, salad and dairy products, and hot foods served through fast-food chain and independent outlets.

The campaign features success stories and articles in trade magazines, plus direct mail promotion to national and regional chain buyers. The campaign continues to emphasize consumer and environmental benefits of foam cups, and support of anti-litter campaigns.

Fluoropolymers Division

The "PTFE Granular Resin" statistical program continued on course with release of data for the six-month and 12-month periods ending December 31, 1980.

The Heavy Wall Tubing Subcommittee reviewed a draft specification from the American Society for Testing and Materials on PTFE heavy wall tubing and will provide input on this draft.

The Thick Coatings Subcommittee developed a final draft of "Proposed Standard Method for Electrically Detecting Faults in Corrosion-Resistant Fluoropolymer Coating Systems."

The Fire Safety Committee continues its work with the Coordinating Committee on Consumer Safety with regard to the National Bureau of Standards test protocol on toxicity.

Furniture Division

The division sponsored a technical symposium in conjunction with the Southern Furniture Manufacturers

Association's Furniture Equipment and Supply Exposition.

A Poly Award competition was conducted with awards given in recognition of outstanding contributions for the use of polymers in furniture.

The Technical Committee worked on the preparation of a handbook, "Plastics in Furniture."

International Division

The International Committee received division status in May 1981.

The third Video Catalog Exhibition was held during March and April 1981 in Argentina, Peru, and three cities in Brazil.

A very successful Trade Center Exhibition was held in Mexico City in September 1980, with 47 exhibitors participating.

The division prepared the first in a series of Exporting Seminars scheduled for October 1981 in Chicago.

In conjunction with the U.S. Department of Commerce, the division worked on arrangements for a special promotion publication entitled "Commercial News."

A comprehensive Export Development Survey among SPI members got underway to determine the extent of membership involvement in international trade.

Machinery Division

In response to the need for risk management, a "How to Protect" procedure, designed to aid manufacturers in implementing the necessary precautions against product liability exposure, is in the final stages of development.

The division is comprised of 148 companies that manufacture blow molding, extrusion, injection molding, specialized processing and thermoset processing machinery, as well as auxiliary and compounding equipment. Each of the sections representing these interests is actively involved in the compilation and/or development of test methods, nomenclature and various industry practices which are intended to provide "hands-on" reference sources for all division members. The "recommended practice for noise measurement techniques with injection molding machines" and a similar procedure for granulators, are examples of documents that have been recently published. Recommended practices for programmable controls and for color coding of injection equipment for safety purposes are currently in the process of development.

Fifteen proposed safety standards were submitted to the American Standards Institute for eventual promulga-



PVC Chair Company's polyvinyl chloride outdoor furniture earned the company a Poly Award for Styling from the Furniture Division.

tion as ANSI documents. Work was started on 10 other standards proposals.

Highly innovative and timely programs were scheduled, involving in-depth presentations on economic trends, productivity and quality, international business, and risk management. The division's annual spring meeting drew more than 200 attendees.

A metrication program was initiated to provide the membership with appropriate guidelines and education relative to this complex subject in the process of development.

Molders Division

The committee that was set up to assist SPI in a joint venture with the Department of Energy reviewed and approved the energy savings manual. The manual, "Reducing Energy Costs in the Plastics Industry," was the basis for an audio-visual presentation available from SPI.

A subcommittee of the division reviewed the developing "Safety Manual." The subcommittee made specific recommendations for format change and recommended that the manual be tied into a training program in order to be useful.

Molder members working with the SPI sections helped bring about mold retention legislation as law in eight states, and pending in three more states.

Moldmakers Division

Following the success of the New England apprentice school, the division began a review of the program for recommendation of SPI's future role. The career guidance video tape developed by the New England Committee was converted to a 16-millimeter film now available for broad distribution and sale.

The 1980 Labor Survey was expanded to include more detail on fringe benefits. It was decided to conduct the 1981 survey earlier in the year to try to get more of a calendar year pattern.

The Division apprentice chairman and staff became active in a Task Force to Solve the Skilled Trade Shortage, a coalition of all associations with apprentice training. A "Need to Train" sound/slide program is being put together by the division and the American Mold Builders Association to convince employers of the benefits of training. The division explored the possibility of a new apprentice school in Los Angeles.

Organic Peroxide Producers Safety Division

The division agreed to develop a training program (audio/visual) series in conjunction with the National Fire Protection Association to assist fire services in handling organic peroxide incidents.

The worldwide literature study on organic peroxides was completed and approved by the division.

An emergency response system was prepared for division consideration. All recommended practices are being updated with plans for publication by the end of 1981.

Plastic Beverage Container Division

Active support of nationwide recycling of plastic beverage bottles continued as a major program. Specific projects were instituted in Massachusetts, New Mexico, and Arizona to encourage increased consumer returns and establish additional collection centers. Opportunities are under investigation in Minnesota, California, and several other areas.

A major effort of the division is continued support of legislative relations programs in several states where mandatory deposit proposals threaten consumer choice and growth of all beverage containers. Members also participated in the Gatekeeper Meeting project of the Plastic Bottle Institute, and assisted in the funding of this and other PBI projects.

The PBCD Technical Committee undertook the development of a standard beverage bottle thread finish to be recommended to the American Society for Testing and Materials, and a "Good Practices Manual."

Plastic Bottle Institute

The year's major program was a continuation of the highly successful Gatekeeper Meeting series, which takes member representatives to selected cities across the country to speak with newspaper editors, television producers, and environmental groups about the energy, safety and solid waste benefits of plastic bottles.

Other public relations projects included promotion of the PBI School Kit, which provides an audio/visual presentation to high school science classes, and publication of a "Spokespersons Manual" including comprehensive data on all environmentally oriented aspects of plastics bottles.

Excellent trade reception was given to publication of a new "Good Practices Manual for Plastic Bottle Packag-

ing" and "Proceedings of the Plastic Bottle Seminar," held in New York on October 1980.

Plastic Packaging Strategy Group

The Plastic Packaging Strategy Group has led the fight to repeal the Minnesota Milk Bottle ban. Through its members, it has raised the funding, provided witnesses and supporting data.

During the year, oral arguments were presented in the U.S. Supreme Court in opposition to the State's appeal. While the industry case for the plastic milk bottle did not win in the Supreme Court, it achieved a great victory in the Minnesota Legislature. The prohibition of plastic milk bottles in that state was repealed on May 8, 1981.

Plastics Pipe Institute

The Institute's Fuel Gas Division developed a series of slide presentations for use in the training of operators and inspectors. The presentations cover fundamentals of proper joining and installation of polyethylene gas distribution piping.

PPI, on behalf of the Fuel Gas Division, was a co-sponsor of an American Gas Association-Plastic Pipe Symposium held in New Orleans in November 1980.

The division was active in the development and publication of "General Guidelines for the Heat Fusion of Unlike Polyethylene Pipe and Fittings."

The Large Diameter Polyolefin Piping Division agreed to participate in an upcoming American Society of Civil Engineers International Conference on Underground Plastic Pipe. The division completed the development of a movie on slip lining that has been very well received by the industry. The division also published an informational brochure, "Underground Installation of Polyethylene Pipe."

The Hydrostatic Design Stress Committee was involved in developing policies on substitution of ingredients in formulations already having the HDSC.

Polymeric Materials Producers Division

The major activity of the division was providing support to the Public Affairs Committee with its raw materials program to try to insure that there would be an unhampered flow of feedstocks to our industry should an emergency supply disruption occur.

The division assists the Committee on Resin Statistics and the Toxicology

Committee in developing and reviewing their program.

The objectives of the Toxicology Committee are:

- 1) To review government policies and make recommendations for SPI response to protect and promote the legitimate interests of the plastics industry.

- 2) To coordinate the collection, review and dissemination of toxicological data for industry-wide use, and to provide the means for joint action and testing programs.

- 3) To identify areas of possible concern in the field of toxicity of plastics and to make recommendations for action to appropriate SPI divisions and committees.

- 4) To coordinate activities with sister associations in the U.S. and abroad.

Also, the members are informed about potential broad based industry issues. One of the division's meetings addressed product liability concerns.

Polyurethane Division

The Rigid Foam Committees commented on two proposed Federal Specifications for rigid polyurethane foam boardstock. They also revised and reissued the bulletin on fire safety guidelines, are participating in a joint research program with the National Forest Products Association on the application of wood siding over foam sheathing, and are developing a roofing seminar in conjunction with the Urethane Foam Contractors association.

The Flexible Foam Committees are working with the upholstered furniture industry on cigarette ignition and the National Bureau of Standards on standards for mattresses for institutional uses, have conducted a market research study on foam mattresses, and have revised the format for the *Bedding Magazine* column on foam mattresses.

The division also commented on the EPA advance notice of a proposed rule to further restrict the use of chlorofluorocarbons. The division was the focal point for putting together a panel of small business people to testify before the House Small Business Committee on the effect of the proposed EPA rule.

Profile Extruders Division

The division agreed to concentrate on management concerns of the custom profile extruder in the coming year.

Conferences were sponsored by the

division in September 1980 and March 1981 as part of combined meetings held with the Vinyl Siding Institute and the Window and Door Division, one dealt with the housing industry, and the second with financial and management matters.

Reinforced Plastics/Composites Institute

Advances in processing of reinforced plastics composites were covered in depth at the 36th Annual Conference and Exhibit held in Washington, D.C. in February 1981.

The Executive Committee appointed a task force to review the exhibit phase of the annual RPIC technical meeting.

A study on manufacturing feasibility by Arthur D. Little, Cambridge, MA, was completed and the results released to the industry. The study describes conditions in the various fabrication processes used within the industry and specifies the controls needed on a unit operations basis.

In the spirit of continuing cooperation, the Steering Committee forwarded data to the National Institute of Occupational Safety and Health from the health studies program, including information on engineering controls, economic impact, and the results of an SPI-coordinated Swedish plant tour.

Rigid Plastic Container Division

The group focused its major effort on the Annual Management Conference, held in March, to provide an opportunity for both members and prospective members to discuss important market and industry developments with prominent experts. The year's conference emphasized new food package development, feedstock supply outlook, and the latest machine and equipment developments.

The Thermoformed Container Statistical Program was expanded to bring in several major producers, and now represents close to 100 percent of the industry.

Sheet Producers Management Division

To reflect recent bylaw revisions dealing with membership qualifications, a revised membership application form and a new promotional brochure were drafted for publication.

The division, through its Technical Committee, continued work on development of a recommended standard for ABS sheet which will be proposed as a standard for promulgation by a

recognized standards-making organization.

The number of participants in the statistical program, "Shipments and Unfilled Orders for Extruded Sheet by Material" has increased, providing a more accurate statistical profile.

Processor members participated in an Annual Financial & Operating Ratios survey conducted by the Financial Management Division of SPI and obtained a report on data for their specific industry.

Structural Foam Division

"Productivity through Technology" was the theme of the Ninth Annual Structural Foam Conference and Parts Competition, which for the second consecutive year attracted over 500 attendees. The conference program included a "processors panel" providing information on the various processes utilized in the structural foam industry. Over 30 structural foam products were entered in the Parts Competition. Six awards were presented to first and second place winners for functional application and innovative design. Awards were also presented for Conference and Judges Special categories.

The Combustibility Committee's "Large Scale Fire Test Program on Electrical and Appliance Enclosures" was completed. The published report, prepared by Underwriters Laboratory, is now available through SPI.

The Machinery Committee continued its work on a proposed standard entitled "Safety Requirements for Construction, Care and Use of Injection Molding Machines for the Manufacture of Thermoplastic Structural Foam."

The Physical Testing Committee prepared the final draft of "Recommended Test Procedures for Shielded Structural Foam Resins"; testing to be conducted by a national laboratory. The recommended procedures will ultimately be submitted for promulgation through a recognized standards-making organization.

Plans were initiated for the Tenth Annual Conference scheduled in April, 1982.

Vinyl Formulators Division

The division's 64th Business Meeting in October 1980 concentrated on the Resources Conservation and Recovery Act. Its affect on and implementation by vinyl formulators and processors was presented.

Plasticizer test methods were updated and distributed to the membership.

Vinyl Siding Institute

A public relations campaign aimed at home improvement editors and consumers was conducted.

The Code Committee made visits to code authorities, historic restoration agencies, and army representatives to discuss characteristics of vinyl siding.

Work progressed on revision of the "Applicators Manual" and pamphlets on "Combustibility" and "Cleaning."

Members were active on American Society for Testing and Materials committees addressing matters which affect vinyl siding and continued their weatherability studies.

Window and Door Division

The Window and Door Division, formerly a committee of the Profile Extruders Division, was granted Division operating unit status in October 1980. Committees established include: Technical, Marketing, Code, Safe Use, and Window Systems.

The Technical Committee submitted proposed standards on performance, impact resistance, lineal specifications and material specifications to the American Society for Testing and Materials for promulgation.

A pamphlet on vinyl window frames was developed and will be printed shortly. A statistical program was approved for year-end 1981 implementation.

SPECIAL PURPOSE GROUPS

Appliance Council

The Chairman and Staff Director monitored regulatory activity and advised members.

Housewares Manufacturers Group

The Chairman monitored all legislative developments that could impact on the manufacturers of plastics housewares and submitted applicable data. Responses were made to inquiries from official agencies and the public regarding additives used in the manufacture of housewares.

Plastics in Construction Council

The Council's Insulation Committee worked on updating the model codes of the Building and Code Administrators and the Southern Building Code. In addition, work with the Council of American Building Officials' Board for the Coordination of Model Codes Committee on Foam Plastics led to the development of a uniform statement regarding the use of foam plastic insulation that will, upon final approval, be submitted to the various model codes by CABO.

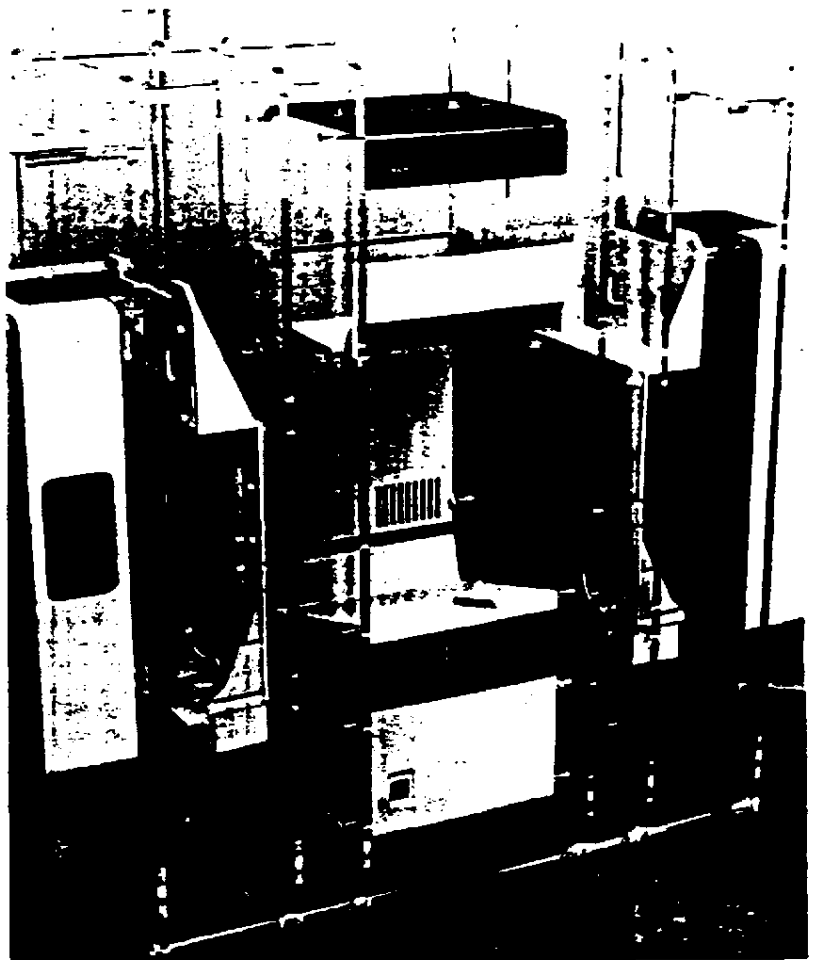
The Light Transmitting Committee worked with the CABO/BCMC in an attempt to develop uniform language on roof panels and skylights. The committee also worked on revision of the model code chapters dealing with light transmitting panels.

Polystyrene Safety Group

Two large scale fire tests were conducted at Southwest Research Institute to develop additional data on the comparative performance of wood and polystyrene living room furniture. The group expects a full report on the tests to be completed by the end of 1981.

Vinyl Film Group

The group launched a quarterly statistical program on end use applications for vinyl film and sheeting in the areas of automotive, bags, construction, furniture and housewares, home furnishings, linings and industrials, medical, outdoor furniture, and outerwear. The statistical questionnaire is in the process of being refined by the SPI director of statistics.



"Wangwriter" for printing won the Conference Award and Second Place for Innovative Design at the Ninth Annual Structural Foam Conference and Parts Competition, March 24-26, 1981, Palm Springs, California. The product was designed by Wang Laboratories, Lowell, Massachusetts, and manufactured by Southeastern Kusan, Greenville, South Carolina. The moldmaker was Hanson Pattern & Mold Corporation, Ludlow, Massachusetts.

Microwave Oven Cookware Group

The group developed recommended test methods for plastics microwave cookware which will be printed as an interim guideline.

Work was conducted on a question and answer pamphlet for consumers, due to be published before the end of 1981.

A Dual Ovens Committee was formed to address the suitability of cookware in ovens with both conventional and microwave capabilities.

A Marketing Committee was organized to develop a public relations program. Division members approved the initiation of a statistical program.

Plastic Drum Institute

The Institute reorganized to include the following committees: Policy, Government Relations, Reuse, Technical, Public Relations and Liaison with the Packaging Institute of the U.S.A.'s Chemical Packaging Committee and Petroleum Packaging Committee.

The membership voted to amend the Institute's bylaws and expand membership to include closure manufacturers.

In response to a request made by the PDI the Occupational Safety and Health Administration issued a Field Instruction in October 1980 which permits the use of polyethylene containers authorized for shipment by the Department of Transportation for the storage of both combustible and flammable liquids at inside storage areas.

The PDI participated in a Rail Impact Test program conducted by the Association of American Railroads. After the first two phases AAR concluded that the polyethylene drums performed well. A third phase will ascertain a system for blocking and bracing for plastic and steel drums.

The Reuse Committee embarked on a program to determine the reuse capabilities and reconditioning procedures for plastic drums. The first reconditioning phase is scheduled for October, 1981 with the test report expected by May, 1982.

The Technical Committee prepared the final draft of a Bulletin on "Recommendations Concerning Reusable Industrial Plastic Containers."

COMMITTEES

Food, Drug and Cosmetic Packaging Materials Committee

The activities of this committee were noteworthy for the greatly increased effort in negotiating with the Food and

Drug Administration on food package testing policies and procedures, and the development of early and significant input to Congressional consideration of the Food Safety Amendments for 1981.

The Technical Information Subcommittee established task forces on consumer diet exposure, shelf life, and FDA liaison, all devoted to providing FDA with information on a more scientifically sound method for evaluating the safety of plastic food packaging materials.

The Lawyers Advisory Subcommittee undertook a major project to develop legislative recommendations to Congress on a more efficient system of regulating food packaging materials, to provide consumers with the benefits of the latest technical and scientific advances while affording every reasonable degree of safety protection.

Committee on Transportation and Distribution

The committee completed its first year as a merged group (nee Committee on Transportation and Committee on Distribution).

Committee efforts resulted in a nationwide 4% rail increase on plastics in lieu of the 8% originally approved by the Interstate Commerce Commission. This will result in an estimated industry savings of \$6.9 million on a recurring annual basis.

Committee protests were successful in defeating a 5% rail increase on plastics to, from, and within the East. This brought the total estimated industry savings to \$10 million.

Ten members agreed to self-fund a complaint action with the ICC on the current level of rail resin rates.

Comments were filed with the ICC on "Market Dominance Determination and Consideration of Product Competition" and their relationship to rail resin rates. Following an ICC decision, the Committee intervened in the Fifth Court of Appeals, joining other shippers' interests in challenging the decision.

The committee also protested the Motor Classification Board proposal which would increase motor carrier rates on plastics articles by 20 to 40 percent.

A Vinyl Chloride Monomer Emergency Response Task Group was formed to cooperate with Chemtrec, a system set up by the Chemical Manufacturers Association to monitor rail accidents. The task group will operate on a continuing basis relative to the VCM Emergency Response Program.

Two Conference Programs were held: "The Impact of Government Regulations on the Cost of Transportation and Distribution" in June 1980 and "From Eyeshades to Integrated Circuits: Distribution Systems for the 80's" in January 1981.

Financial Management Committee

A seminar entitled "How to Make Computers Talk Plastics," conducted in December 1980, was so successful that two similar seminars were scheduled for spring 1981. Two more seminars are planned for the spring of 1982.

Other survey reports issued by the committee were: the "42nd Annual Labor Survey of Plastics processors," the "12th Biennial Salary Survey of SPI Plastics Processing Firms," and the "19th Annual Financial and Operating Ratios Survey of SPI Plastics Processors."

The committee is investigating the possibility of developing an additional volume on the subject of "Productivity" to be added to the popular "Financial Management Manual for Plastics Processors."

Committee on Resin Statistics

Committee members and staff worked closely with the U.S. Department of Commerce to bring about major changes in the Standard Industrial Classification (SIC) Code dealing with plastic products. The revisions were accepted for the 1982 Census and represent a significant step forward in improving knowledge about plastics markets. A booklet, "SIC's in the Plastics Industry" was developed to explain the classification system.

Substantial progress was made in improving the coverage and quality of the Plastics pipe and Fitting Report, formerly part of the Plastics Pipe Institute.

The 1981 edition of "Facts & Figures of the Plastics Industry" to be released in October 1981. The publication has more than 130 pages covering production, sales, capacities, markets and dollar value for the major plastics resins, plus data on fabricated plastics products, machinery, and the feedstocks for plastics.

New reports have been initiated on engineering thermoplastics, thermoplastic polyesters, and geographical consumption of polystyrene resins.

Final plans were completed for a one-day conference, "International Plastics Outlook: Markets and Issues," to be held in New York City in December 1981.

Financial Statements

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

Balance Sheets

May 31, 1981 and 1980

	1981	1980
Assets		
Current assets:		
Cash in checking accounts and on hand	\$ 9,843	7,266
Savings deposits	22,882	21,427
Short-term investments, at cost (which approximates market)	4,093,866	4,495,283
Receivables:		
Membership dues	9,199	886
Other	20,029	40,777
Less allowance for doubtful accounts	(8,624)	(1,386)
Net membership dues and other receivables	20,604	40,277
Accrued interest	146,289	141,699
Prepaid expenses and other current assets	18,474	23,061
Total current assets	4,311,958	4,729,013
Fixed assets:		
Furniture and equipment	231,943	220,113
Leasehold improvements	106,873	106,873
	338,816	326,986
Less accumulated depreciation and amortization	(147,401)	(113,811)
	191,415	213,175
Deferred charges — 1982 National Plastics Exposition	527,350	121,846
Other assets	25,856	24,327
Total assets	\$5,056,579	5,088,361
Liabilities and Fund Balances		
Current liabilities:		
Cash overdraft	121,253	220,896
Accounts payable and accrued expenses	730,143	616,292
Unearned membership dues	34,059	65,646
Total current liabilities	885,455	902,834
Deferred revenue — 1982 National Plastics Exposition	360,220	—
Total liabilities	1,245,675	902,834
Fund balances:		
General fund:		
Unappropriated	(63,153)	269,547
Appropriated (note 6)	2,816,904	2,656,816
	2,753,751	2,926,363
Special projects funds	1,057,153	1,259,164
Total fund balances	3,810,904	4,185,527
Total liabilities and fund balances	\$5,056,579	5,088,361

See accompanying notes to financial statements.

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

Statements of Revenues and Expenses

Years ended May 31, 1981 and 1980

	1981	1980
Revenues:		
Membership dues	\$4,594,544	4,399,298
Interest	648,808	635,889
Sales of literature	86,137	73,277
Special projects	3,446,805	3,480,987
Other	87,129	34,653
	8,863,223	8,624,104
Expenses:		
Direct:		
Membership services:		
Legal and consulting	706,489	650,745
Communications — public relations	118,310	121,217
Administrative	190,809	201,638
Membership promotion and services	45,296	54,013
Directory	29,967	22,077
Special projects — research, development, legislative and public relations	3,446,805	3,480,987
Service operating units	197,130	186,988
Divisions and groups	134,040	135,156
Regional offices	274,782	220,511
Public affairs committee	1,309,100	1,198,529
Chemical Industry Trade Advisor	3,500	2,000
Indirect program, administrative and general:		
Salaries and employee benefits	1,961,009	1,688,921
Office supplies and expenses	385,426	356,056
Rent	182,210	150,635
Auditing and computer services	69,929	64,483
Provision for depreciation and amortization	38,052	32,576
Provision for doubtful accounts	8,235	(26,845)
Other	25,287	45,770
	9,126,376	8,585,457
Less allocation of administrative expenses to National Plastics Expositions	200,000	230,900
	8,926,376	8,354,557
Excess (deficiency) of revenues over expenses before expenses funded by Directors' Special Reserves and 1979 National Plastics Exposition Operations.	(63,153)	269,547
Expenses funded by Directors' Special Reserves:		
Computer study expenses	(73,459)	—
International Standards Organization meeting expenses	(36,000)	—
Write-off of special project deficit balances:		
Accounting manual project	—	(50,445)
Plastics Hall of Fame	—	(27,778)
1979 National Plastics Exposition revenues, net of related expenses of \$1,980,103	—	674,470
Excess (deficiency) of revenues over expenses	(172,612)	865,794

See accompanying notes to financial statements.

Statements of Changes in Financial Position
Years ended May 31, 1981 and 1980

	1981	1980
Funds were provided by:		
Excess (deficiency) of revenues over expenses	\$ (172,612)	865,794
Add (deduct) items not requiring (providing) funds:		
Depreciation and amortization	38,052	32,576
Gain on sale of fixed assets	(1,975)	—
Funds provided by operations	(136,535)	898,370
Increase in non-current deferred revenue	360,220	—
Proceeds on sale of fixed assets	1,975	—
Total funds provided	225,660	898,370
Funds were used for:		
Purchase of fixed assets	16,292	64,684
Increase in non-current deferred charges	405,504	121,846
Decrease in special project funds balances	202,011	134,251
Increase in non-current other assets	1,529	6,117
Total funds used	625,336	326,898
Increase (decrease) in working capital	\$ (399,876)	571,472
Analysis of changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	2,577	(52,142)
Savings deposits	1,455	1,417
Short-term investments	(401,417)	(400,035)
Net membership dues and other receivables	(19,673)	22,184
Accrued interest	4,590	25,715
Prepaid expenses and other current assets	(4,587)	6,534
Deferred charges — 1979 National Plastics Exposition	—	(1,145,164)
	(417,055)	(1,541,491)
Decrease (increase) in current liabilities:		
Cash overdraft	99,843	(125,890)
Accounts payable and accrued expenses	(113,851)	(47,665)
Unearned membership dues	31,587	(32,022)
Deferred revenue — 1979 National Plastics Exposition	—	2,318,540
	17,379	2,112,963
Increase (decrease) in working capital	\$ (399,876)	571,472

See accompanying notes to financial statements.

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

Statements of Changes in Fund Balances

Years ended May 31, 1981 and 1980

	1981		1980	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year	\$2,928,363	1,259,164	2,060,569	1,393,415
Excess (deficiency) of revenues over expenses	(172,612)	—	865,794	—
Special projects funds additions:				
Assessments	—	2,017,624	—	2,123,769
Meetings and conferences	—	965,256	—	888,381
Sales of literature	—	108,412	—	131,299
Contributions in support of special programs	—	110,802	—	41,500
Budgeted general fund appropriations	—	145,000	—	95,587
Appropriations from Directors' Special Reserves for International Standards Organization meeting	—	38,000	—	—
Other	—	1,350	—	1,413
Special projects funds transferred to general fund revenues and expended	—	(3,446,805)	—	(3,480,987)
Appropriated funds expended	—	(139,450)	—	(13,436)
Write-off of special project deficit balances:				
Accounting manual project	—	—	—	50,445
Plastics Hall of Fame	—	—	—	27,778
Balances at end of year	\$2,753,751	1,057,153	2,926,363	1,259,164

See accompanying notes to financial statements.

The Society of the Plastics Industry, Inc.
Notes to Financial Statements
May 31, 1981 and 1980

(1) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges and revenue.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects and certain budgeted general fund appropriations. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes, except that the budgeted general fund appropriations are expensed when appropriated.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Other significant accounting policies are set forth in the financial statements and the following notes.

(2) Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of this defined benefit plan are funded currently, and for 1981 and 1980 aggregated \$121,581 and \$96,022, respectively. Unfunded past service costs amounted to \$165,179 at May 31, 1980, the most recent plan valuation date. Such costs are being amortized over a ten-year period.

The accumulated plan benefits and plan net assets as of May 31, 1980 are as follows:

Actuarial present value of accumulated plan benefits:	
Vested	\$631,706
Nonvested	184,756
	<u>\$816,462</u>
Net assets available for benefits	
	<u>\$956,260</u>

The rate of return used in determining the actuarial present value of accumulated plan benefits was 6%.

(3) Products Research Committee Funds

Effective December 3, 1974, the Society executed a consent order with the Federal Trade

Commission which required, among other things, the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The Society is custodian of the Committee's funds and, at May 31, 1981, held \$258,912 (\$318,875 in 1980) in checking and savings accounts for use by the Committee.

The Committee terminated operations by resolution dated December 12, 1979, and approved a resolution to give the residual funds of the Committee to the Society to be spent in support of fire research similar in scope to the Committee's programs. Such funds have not been transferred to the Society as of May 31, 1981 and, accordingly, have not been included in the accompanying financial statements.

(4) Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgements for substantial damages. Counsel is of the opinion that the likelihood of an unfavorable outcome in such actions is remote.

(5) Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1982	\$286,939
1983	287,655
1984	283,917
1985	248,650
1986	<u>12,806</u>

These amounts include the lease of the Society's executive office spaces at an annual rental, including charges for electricity, of \$225,254 per year. The leases expire in 1985.

Certain leases are subject to escalation provisions based on real estate taxes and building maintenance costs.

(6) Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	1981	1980
Capital improvements	\$ 4,675	8,074
Other	<u>2,812,229</u>	<u>2,648,742</u>
	<u>\$2,816,904</u>	<u>2,656,816</u>

Auditors' Report



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

345 Park Avenue
New York, New York 10154

The Board of Directors
The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1981 and 1980 and the related statements of revenues and expenses, changes in fund balances, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1981 and 1980 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 13, 1981

Peat, Marwick, Mitchell & Co.

Officers and Directors 1981-1982

OFFICERS



JAMES S. HEARONS
Owens Corning Fiberglas Corp
Toledo, Ohio
CHAIRMAN



L. WILLIAM SESSIONS
American Can Co.
Greenwich, Connecticut
VICE CHAIRMAN



RICHARD A. BRADBURY
PMS Consolidated
Gardena, California
SECRETARY



WILLIAM F. MERICLE
Cincinnati Milacron, Inc
Cincinnati, Ohio
TREASURER



IVAR A. LUNGAARD
E.I. du Pont de Nemours & Co., Inc
Wilmington, Delaware
IMMEDIATE PAST
CHAIRMAN

SECTION DIRECTORS



WILLIAM A. HEINE
Acromark Co., Inc.
Berkeley Heights, New Jersey
EASTERN SECTION



HUGH W. SILBERMAN
Automatic Molded Plastics, Inc
South Bend, Indiana
MIDWEST SECTION



JOSEPH N. McDONALD
Sweetheart Plastics, Inc.
Wilmington, Massachusetts
NEW ENGLAND SECTION



DONALD K. SULLIVAN
Sullivan Plastics Equipment Co., Inc.
Los Angeles, California
WESTERN SECTION

DIVISION CHAIRMEN



HERBERT L. SPIVACK
Metachem Resins Corp.
West Warwick, Rhode Island
EPOXY RESIN FORMULATORS



LUTHER I. DICKENS
Radva Plastics Corp.
Radford, Virginia
EXPANDED POLYSTYRENE



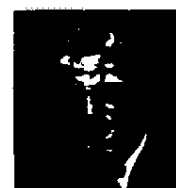
DAVID E. NEWMAN
Garlock, Inc.
Camden, New Jersey
FLUOROPOLYMERS



CLAYTON T. LYONS
Master Containers, Inc.
Mulberry, Florida
FOAM CUP & CONTAINER



RAYMOND A. GIORNELLI
Shell Chemical Co.
Atlanta, Georgia
FURNITURE



JOHN R. ZEBRYK
Package Machinery International
East Longmeadow, Massachusetts
INTERNATIONAL



JACK G. FULLER, JR.
Polymer Machinery Corp.
Berlin, Connecticut
MACHINERY



ARTHUR DASHUT
Deluxe Die Mold, Inc.
Einhurst, Illinois
MOLDMAKERS



RONALD J. CLEVERINGA
Michigan Plastic Products Co
Grand Haven, Michigan
MOLDERS



RAYMOND E. ROSS
Cincinnati Milacron Co
Batavia, Ohio
NATIONAL PLASTICS
EXPOSITION



JOHN J. RIZZO
FMC Corp
Princeton, New Jersey
ORGANIC PEROXIDE
PRODUCERS SAFETY



PETER J. WEGGEMAN
Continental Group
Stamford, Connecticut
PLASTIC BEVERAGE CONTAINER



GEORGE K. LANDON, JR.
Continental Group
Stamford, Connecticut
PLASTIC BOTTLE INSTITUTE



ALEX M. ERGANIAN
Plexco (Div of Amsted Industries)
Franklin Park, Illinois
PLASTIC PIPE INSTITUTE



FRANZ R. ALTPETER
Profile Extrusions Co.
Hastings, Minnesota
PROFILE EXTRUDERS



EDWARD F. McMAHON
Shell Chemical Co
Houston, Texas
POLYMERIC MATERIALS
PRODUCERS



ALFRED CIANCIOLO
Olin Corp.
New Haven, Connecticut
POLYURETHANE



JAMES H. DAVIS
Ashland Oil, Inc.
Ashland, Kentucky
REINFORCED PLASTICS/
COMPOSITES INSTITUTE



ROBERT W. MILLER
Hercules, Inc.
Middletown, Delaware
RIGID PLASTIC CONTAINER



JOHN L. WITT
Witt Plastics, Inc.
Greenville, Ohio
SHEET PRODUCERS
MANAGEMENT



BRUCE C. WENDLE
Monitor Molded Products
Tacoma, Washington
STRUCTURAL FOAM



ROBERT N. EVANS
Rensol Corporation
Ann Arbor, Michigan
VINYL FORMULATORS



JOHN P. FLANAGAN
Mastic Corporation
South Bend, Indiana
VINYL SIDING INSTITUTE



PAUL N. MANCUSO
Fiberlux Products, Inc.
Mount Vernon, New York
WINDOW & DOOR

DIRECTORS AT LARGE Term expires May 31, 1982



BYRON J. ANDERSON
Northern Petrochemical
Omaha, Nebraska



WILLIAM J. GRAHAM
Owens-Illinois, Inc
Toledo, Ohio



WOLFGANG A. MACK
Werner & Pfleiderer Corporation
Ramsey, New Jersey



JOHN T. MOORE
Eastman Chemical
Products, Inc.
Kingsport, Tennessee



JAMES N. QUINN
The Budd Co.
Troy, Michigan



RICHARD T. STUDER
HPM Corp.
Mt. Gilead, Ohio

Term expires May 31, 1983



STEWART D. DANIELS
Monsanto Plastics & Resins
St. Louis, Mo.



W. JOHN GALVIN
Burton Tool & Die Co.
Leominster, Massachusetts



WILLIAM H. GUTHRIE
Phillips Chemical Co.
Bartlesville, Oklahoma



J. MICHAEL MURRAY
EPS Industries, Inc.
Wichita, Kansas



MERRILL R. ROTH
Grant & Roth Plastics, Inc.
Hillsboro, Oregon



PETER A. SIMON
Shamrock Industries, Inc.
Minneapolis, Minnesota

Term expires May 31, 1984



JOHN R. EAGLE
Exxon Chemical Americas
Houston, Texas



LEONARD W. GOLDEN
Colgate Plastics Corp.
Buffalo, New York



LLOYD J. (MICKEY) GRIFFITH
Sunset Plastic Products, Inc.
Lenexa, Kansas



RICHARD P. ROSSI
Binks Manufacturing Co.
San Francisco, California



SAMUEL J. RUPERT
Hoover Universal, Inc.
Ann Arbor, Michigan



SAMUEL F. RUTLAND
Rutland Plastics, Inc.
Charlotte, North Carolina



G. R. "Monty" Munger was named President and chief operating officer of The Society of the Plastics Industry, Inc., on July 1, 1981.

He succeeded Ralph L. Harding, Jr., who resigned on May 1, 1981, for reasons of health. Mr. Harding will continue to serve SPI as a consultant until June 1, 1985.

Munger had been President of the Air-Conditioning and Refrigeration Institute, based in Washington.

He was a member of the SPI staff from 1967 to 1974, serving as General Manager before moving to Washington.

Prior to joining SPI for the first time, Mr. Munger was Managing Director of the Mineral Fiber Products Bureau. He also held the post of Technical Director for the American Society of Refrigerating Engineers. In 1979, he was honored by being named a Fellow of the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

Mr. Munger began his business career as a design engineer and subsequently held a variety of sales and product management positions in industry, covering a period of a dozen years.

A native of West Hartford, Connecticut, Mr. Munger served as a fighter pilot with the U.S. Army's Eighth Air Force in Europe during World War II. Following military service, he entered California State Polytechnic College, receiving his degree in engineering there.

Staff



***RALPH L. HARDING, JR.**
PRESIDENT



THOMAS J. McGRATH
GENERAL MANAGER
Staff Director
Plastic Packaging Strategy Group
Polymeric Materials Producers Div.

CHRISTINE BENTON
Administrative Assistant
to the President
Secretary to the Board

JULIETTE LANG CAHN
Staff Director
Appliance Council
Committee on Transportation
and Distribution
Furniture Division
Housewares Manufacturers Group
Microwave Oven Cookware Group
Polystyrene Safety Group
Profile Extruders Division
Vinyl Siding Institute
Window and Door Division

JEROME P. CARROLL
Director of Safety
Staff Director
Committee on Occupational Safety and
Health (PAC)
Coordinating Committee on Consumer
Safety (PAC)
Organic Peroxide Producers Safety
Division
Product Liability Committee (PAC)
PVC Film Meat Wrap Committee
Radio Frequency Heating Committee
Vinyl Film Group
Vinyl Formulators Division

FRANK G M CORBIN
Director of Communications
Staff Director
Public Relations Committee

WILLIAM A. DIRZULAITIS
Director of Administrative Services
Staff Director
Machinery Division
National Plastics Exposition

*Resigned for health reasons 5/1/81 — remains as consultant

ALBERT J. EVANS
Director of Statistics
Staff Director
Committee on Resin Statistics
Financial Management Committee
International Committee

LEWIS R. FREEMAN, JR.
Director of Federal Government Relations

THOMAS R. GOLDBERG
Federal Government Relations
Representative

AILEEN GORSCHMAN
Information Specialist, Public
Relations

JOHN GRAHAM
Communications Specialist, Public
Relations

HOWARD KIBBEL
Marketing Analyst

STEPHAN E. KLAMKE
Executive Director
Plastics Pipe Institute
Manager
Plastics in Construction Council

JOHN R. LAWRENCE
Technical Director
Staff Director
Energy Task Force (PAC)
Plastics Resource Recovery and
Conservation Committee (PAC)
PVC Safety Group

FRAN WALKER LICHTENBERG
Assistant Technical Director
Staff Director
ad hoc TFE Toxicology Committee
Toxicology Committee (PAC)

JOSEPH S. McDERMOTT
Manager
Reinforced Plastics/Composites Institute

ROBERT MALLIA
Controller

JOHN MALLOY
Director of Packaging Services
Staff Director
Foam Cup & Container Division
Food, Drug & Cosmetic Packaging
Material Committee
Plastic Beverage Container Division
Plastic Bottle Institute
Rigid Plastic Container Division

MAUREEN MIGDALEN
Staff Director
Fluoropolymers Division
Plastic Drum Institute
Sheet Producers Management Division
Structural Foam Division

TERRI R. MILLER
Administrative Assistant to the
General Manager

STAN BRUK
Technical Director
Plastics Pipe Institute

E.S. NUSPLIGER
Governmental Affairs Director
Staff Director
Public Affairs Committee
State Governmental Affairs Committee

CATHERINE A. RANDAZZO
Assistant Manager
Reinforced Plastics/Composites Institute

RAFAEL RIVERA
Production Supervisor

MEREDITH SCHECK
Federal Government Relations Representative

AMY STRAVITZ
Office Manager

HUGH PATRICK TONER
Manager
Polyurethane Division
Staff Director
AN Polymers Group (PAC)
ad hoc Epichlorohydrin Committee (PAC)
Epoxy Resin Formulators Division
ad hoc PET Safety Committee (PAC)

Eastern Section
169 Union Boulevard
Totowa, New Jersey 07512
201/790-1870

RICHARD FROCK
Manager, Eastern Section

Midwest Section
3150 Des Plaines Avenue
Des Plaines, Illinois 60018
312/297-6150

ROBERT W. SHERMAN
Manager, Midwest Section
Staff Director
Midwest Section
Moldmakers Division
Molders Division

MARGARET SHALLCROSS
Assistant Midwest Manager
Staff Director
Expanded Polystyrene Division

New England Section
20 Speen St.,
Framingham Exec. Office Bk.
Framingham, Massachusetts 01701
617/879-3412

PATRICIA BROOKS
Manager, New England Section

Western Section
Saddleback Square Suite 124
12440 Firestone Boulevard
Norwalk, California 90650
213/864-2793

HERB OSBORNE
Manager, Western Section

ALTON DREW
Assistant Western Manager

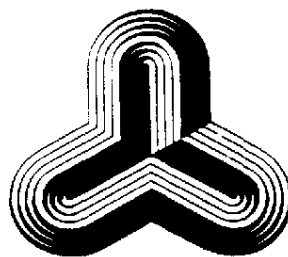
Legal Counsel

KELLER & HECKMAN
1150 17th Street, N.W.
Washington, D.C. 20036
202/457-1100

JEROME H. HECKMAN
(SPI General Counsel)

MARTIN W. BERCOVICI
WAYNE V. BLACK
PETER L. de la CRUZ
JOHN B. DUBECK
JOHN S. ELDRED
ROBERT L. FLESHNER
LAWRENCE P. HALPRIN
EDWARD L. KORWEK
CHRISTINE A. MEAGHER
SHEILA A. MILLAR
ROBERT R. TIERNAN
DEBORAH S. TRINKER

DR. DANIEL S. DIXLER
DURWARD F. DODGEN
(Technical Consultants)



Plastics

SPI **The Society of the Plastics Industry, Inc.**
355 Lexington Avenue, New York, New York 10017 (212) 573-9400

Eastern Section

169 Union Blvd.
Totowa, New Jersey 07512
(201) 790-1870

New England Section Office

20 Speen Street
Framingham, MA 01701
(617) 879-3412

Midwestern Section

3150 Des Plaines Avenue
Des Plaines, Illinois 60018
(312) 297-6150

Washington, D.C. Office

1724 H Street, N.W.
Washington, D.C. 20006
(202) 298-7200

Western Section

Saddleback Square, Suite 124
12440 Firestone Boulevard
Norwalk, California 90650
(213) 864-2793

SPI-22257

September 17, 1975

TO: SPI BOARD OF DIRECTORS

SUBJECT: MINUTES OF THE JULY 25, 1975 BOARD OF DIRECTORS MEETING

Enclosed are the Minutes of the Board of Directors Meeting held at the Lincolnshire Resort, Lincolnshire, Illinois on July 25.

The following list are the future meeting dates and locations of SPI Board Meetings. Please be sure to mark your calendars for these dates.

October 22 - 24, 1975	Williamsburg Lodge Williamsburg, Virginia
February 11 - 13, 1976	Innisbrook Tarpon Springs, Florida
April 5 - 7, 1976	Mayflower Hotel Washington, D. C. (ANNUAL MEETING)
July 27 - 30, 1976	Del Monte Lodge Pebble Beach, California

As most of you are aware, starting at the July Board meeting in 1976, there will be three Board meetings a year instead of four meetings. There will be a summer meeting, an October meeting and a combined Board and Annual Meeting in Washington during the month of March. As soon as these dates and locations are set, I will let you know.

I look forward to seeing you in Williamsburg.

Cordially,



Laura E. Jones
Secretary to the Board of Directors

Enclosures

SPI-22258

The Society of the
Plastics Industry, Inc.

SPi

355 Lexington Avenue
New York, New York 10017
(212) 573 9400

M I N U T E S

BOARD OF DIRECTORS MEETING

OF

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

Lincolnshire Resort
Lincolnshire, Illinois

July 25, 1975

SPI-22259

355 Lexington Avenue
New York, New York 10017
(212) 573 9400

MINUTES OF THE BOARD OF DIRECTORS MEETING - July 25, 1975 - Lincolnshire Resort

DIRECTORS PRESENT:

A. Andrews
Fritz Backscheider
Walter Becker
DeWitt Cheney
Les Christensen (Thursday only)
James Coleman
F. Reed Estabrook
Jack Flynn
Jerome Formo
Iver Freeman
Robert Gerdes
Jack Glatt
Charles Grant
Robert Halliday
James Hearons
Robert Hoffer
Frank Jones
Robert Kittredge
Josef Klingler
Leonard Lane
John Larkin (Thursday only)
Vernon Larson (Thursday only)
Jean Malone (Thursday only)
Richard McKibben
William Miller
LaVern Niedfeldt
Charles O'Connell
Donald Pollock
John Reib
Saul Ricklin
C. Rex Scott
Stanford H. Shaw
Edward Slatcher
Samuel Smith
Robert Stillinger
Fred C. Sutro
Kenneth Valleskey
Eugene Wiard
William Willert

Monsanto Company
Recto Molded Products, Inc.
Mobay Chemical Corporation
Allied Chemical Corporation
Atlas Plastics Corporation
ICI Americas
Brook Molding Corporation
Dow Chemical U.S.A.
Plastics, Inc.
Package Machinery Company
Plastic Moldings Corporation
Keolyn Plastics, Inc.
Hercules, Incorporated
Wilson & George Meyer & Co.
Owens-Corning Fiberglas
Hoffer Plastics Corporation
Michigan Chrome & Chemical Co.
Fabri-Kal Corporation
Janler Plastic Mold Corporation
Icore International
W. R. Grace & Co.
Union Carbide Corporation
B. F. Goodrich Chemical Co.
Modern Plastic Co.
Johnson Rubber Company
Technical Plastics Corp.
Gulf Oil Chemicals Co.
Consupak, Inc.
Conair, Inc.
Dixon Industries Corp.
Phillips Petroleum
Shaw Plastics Corporation
Container Corporation of America
Van Dorn Company
Crown Molding Co.
USS Chemicals
Mastic Corporation
Ren Plastics
Egan Machinery Co.

DIRECTORS ABSENT:

Robert Cook
Barton Hodges
Robert S. Morrison
Clyde Rushing
Gerald A. Schultz

Plastic Industries, Inc.
Charlotte Pipe and Foundry
Molded Fiber Glass Companies
Peco Manufacturing Co., Inc.
Noury Chemical Corp.

INVITED GUESTS:

Daniel Burleson
Ron Evason
Robert Forger
Martin Ryan Haley
Karl Hochschwender
William Kennel
Ronald McCreary
Richard Moore
John Myers
George Schuette
Donald Snow (Thursday only)
Albert Spaak
Robert Springborn (Thursday only)
Matthew Swetonic

Martin Ryan Haley Associates
SPI-Canada
Society of Plastics Engineers
Martin Ryan Haley Associates
American Hoechst Corporation
Amoco Chemicals Corporation
D-M-E Corporation
W. R. Grace & Co.
Container Corporation of America
USS Chemicals
Springfield Moulders
Plastics Institute of America
DeBell and Richardson
Hill and Knowlton

SPI STAFF PRESENT:

Lloyd N. Darden
Ralph L. Harding, Jr.
Jerome H. Heckman
Laura E. Jones
John Lawrence
Thomas J. McGrath
E. S. Nispliger
Margaret Shallcross
Robert Sherman
Robert R. Tiernan

Western Regional Manager
President
SPI General Counsel
Secretary to the Board of Directors
Technical Director
General Manager
Director of Public Affairs
Assistant Midwest Manager
Midwest Regional Manager
Associate Counsel

Chairman Scott called the meeting to order at 8:35 a.m. and called for self-introductions.

Mr. Scott asked for approval of the Minutes of the last Board Meeting, which were mailed to all Directors. There being no additions or corrections, Mr. Backscheider moved that the minutes be approved, Mr. Lane seconded the motion and the Board approved the motion.

SPI-22261

EXECUTIVE COMMITTEE REPORT

Vice Chairman Stan Shaw presided at the Executive Committee Meeting because Chairman Scott could not be present on Thursday due to urgent company business. Mr. Shaw reported that the Executive Committee discussed and advised the Finance Committee that \$78,500 of the original Public Affairs Council funds be acknowledged as their funds, and it be held as a part of the Directors' Special Reserve. These funds will be made available to the present Public Affairs Committee. Mr. Niedfeldt motioned the following resolution:

BE IT RESOLVED that \$105,779 of PAC reserves be transferred to the Directors' Special Reserve and that \$78,500 of this total be consigned to the exclusive use of the Public Affairs Committee.

Mr. Sutro seconded the motion and the Directors approved the motion. Mr. Shaw continued, stating that Mr. Niedfeldt advised the Executive Committee that the Class I dues pledges for 1975 - 1976 were now sufficient to cover the budget. The Executive Committee held a lengthy discussion on Mr. McGrath's capital budget proposals. Mr. Niedfeldt assured the Committee that the Finance Committee would give this matter very careful scrutiny.

Regarding the Membership Development Committee report, it was resolved that the Membership Development Committee would furnish a list to Ralph Harding of large captive processing operations who are not members of SPI, so that a program could be undertaken to have them join the Society.

Mr. Sutro, Chairman of the PAC, reported about the problems inherent in an aggressive PAC program: more press attention could mean more disagreement among members because of the negative public relations fall-out; i.e. the VCM-PVC situation.

Other matters discussed by the Executive Committee will be reviewed in the individual Board Committee reports.

Mr. Gerdes moved to accept the Executive Committee report, Mr. Andrews seconded the motion and the Board approved the motion.

PROCESSORS COMMITTEE REPORT

Mr. Gerdes reported on the deliberations of the Processors Committee. The Committee discussed Senate Bill 2018 regarding third party liability. The Executive Committee recommended to the Planning Committee that a special Committee of the Board be appointed, consisting of processors, machinery manufacturers and materials suppliers to consider this bill, in order to develop an SPI position.

PROCESSORS COMMITTEE REPORT (cont.)

The Processors Committee has been monitoring export sales, analysing the data and reporting on the results every six months. The Committee voted to change the reporting procedure to an annual report. The Processors Committee passed a resolution, that as part of an early earning system, quarterly reports should be compiled on capacity versus production versus sales.

The Committee also voted to establish a labor relations program on a one-year trial basis and to retain Mr. Theodore Tierney as a labor relations consultant.

Mr. Gerdes reported that the Processors Committee was also recommending to the PAC the adoption of a Plant Energy Saving Program for the processors, and Mr. Scott advised that all Committee recommendations should be referred to the Planning Committee for further study and recommendations.

Mr. Harding assured the Board the SPI is in a position to monitor the export sales data immediately, and that no further Board action was necessary.

Mr. Estabrook added that the Energy Saving proposal was already in the hands of the PAC coordinator, Bob Kittredge.

Mr. Shaw motioned that the Processors Committee report be accepted, Mr. Formo seconded the motion and the motion was carried by the Directors.

FINANCE COMMITTEE REPORT

Mr. Niedfeldt reported that the Finance Committee started its meeting at 7:30 a.m. and first reviewed the preliminary results of the 1974 - 1975 fiscal year. The Committee noted that the performance of SPI was good.

Mr. Snow, a member of the Pension Plan Trustees Committee was present at the meeting and he reported about the plan and the steps which the Committee is considering for possible cost reductions.

The Committee conducted a lengthy discussion about the proposed 1975 - 1976 capital budget requirements. This budget, not only included elements involved in the move to the new New York offices, but also much needed equipment replacement and additions for all offices. As a result of their discussions, the Finance Committee offered the following resolutions:

BE IT RESOLVED that the approximate surplus of \$365,003 reflected in the preliminary year-end statement be transferred to the Directors Special Reserve.

Mr. Reib motioned that the resolution be approved, Mr. Andrews seconded the motion and the Board approved the motion:

FINANCE COMMITTEE REPORT (cont.)

BE IT RESOLVED that the following capital expenditures be authorized:

1. \$2,693 for the Washington Office furnishings.
2. \$1,825 for the Chicago Office mailing equipment.
3. \$7,185 for furnishing the Los Angeles Office on its transfer from 611 South Catalina St., Los Angeles to Norwalk, California plus an \$800 moving expense.

Mr. Andrews moved that the resolution be approved, Mr. Formo seconded the motion. The Board voted in favor of the motion with Mr. Freeman dissenting.

Mr. Niedfeldt stated that a detailed review was made of the New York office moving costs, which were previously authorized in the amount of \$98,000 in the 1974 - 1975 budget. This \$98,000 figure plus \$225,000 of the building owners front money was to have covered all the physical move costs, architects fees, appropriate furnishings for the President's office, the General Manager's office, the conference room, the reception area and the lobby area. Unfortunately, the office demolition, renovation and other construction costs exceeded the early estimates of \$180,000 by approximately \$57,000. Therefore \$57,000 of the previously Board authorized \$98,000 had to be used to cover the over-run. After the Finance Committee reviewed the costs, the Committee took under consideration the capital budget request of \$126,000 for the completion of the furnishings for the new office, as well as numerous other items of an equipment nature such as typewriters, mailing and printing equipment. The Committee agreed on the following statement and resolution:

1. A serious concern and opinion was expressed that the request appeared excessive.
2. The concept and objective of having a respectable and representative headquarters office was desirable and necessary.
3. A deep concern was expressed about approving large capital budgets during these difficult economic times and reduced profits for many many companies in our association.
4. Recognition is certainly given to the fact that capital expenditures during the last four or five years for SPI have been minimal.
5. The Committee wishes to point out the fact that SPI's reserves are still well below the minimum 25% of present operating budget.
6. It is encumbant upon all management persons, particularly in these economic times, to get the job done efficiently, wisely and yet be frugal with the members' money as we must be in our own businesses.

Therefore, fully recognizing the need to proceed, the Finance Committee by a vote of 5 - 2 offers the following resolution:

BE IT RESOLVED that \$57,000 capital expenditures be authorized with the money to be taken from the Directors Special Reserve at this time for the continued furnishing of the New York office, with the stipulation that no money be spent until a detailed listing of proposed expenditures be furnished to the Finance Committee for their approval. Time being of the essence, the Committee authorizes its Chairman to act in its behalf.

Mr. Freeman motioned that the resolution be approved, Mr. Reib seconded the motion and the Directors approved it.

Mr. Andrews motioned that the Report of the Finance Committee be accepted, Mr. Gerdes seconded the motion and the Board approved it.

MEMBERSHIP DEVELOPMENT COMMITTEE REPORT

Mr. Willert stated that SPI has a total of 1,207 Class I members as of July 17. This includes 16 new members and 18 resignations and consolidations.

Mr. Flynn motioned that all membership changes as listed in the Report Notebook and the addendum be approved, Mr. Kittredge seconded the motion and the Board approved it.

Mr. Willert reported that as of July 17 there were 205 companies that have not yet responded to the Sales Information Form for their 1975 - 1976 dues. The SPI staff has implemented a procedure of personal contact with these non-responders. Members of the Membership Development Committee volunteered to contact the non-responders who have not replied to the staff follow up.

The Membership Development Committee reviewed and approved a new formal procedure, developed by the SPI staff, for contact and follow through from the contact with prospective members, processing of applications and attempts to retain delinquents and resignations.

The Committee reviewed a proposal for new literature and programs for membership promotion and SPI exposure using the 1976 Bicentennial theme. The Committee was concerned about the costs versus the budget, and the proposal was referred back to the SPI staff for a more definitive presentation with costs. This will be reviewed at the October Board Meeting.

A list of approximately 100 captive processors and the users of plastics who are not presently SPI members will be developed with a special effort being made to interest them in joining SPI.

MEMBERSHIP DEVELOPMENT COMMITTEE REPORT (cont.)

Mr. Formo voted to accept the report of the Membership Development Committee and Mr. Flynn seconded the motion. The Board of Directors voted unanimous approval.

PLANNING COMMITTEE REPORT

Mr. Shaw reported that the first topic discussed at the Planning Committee - and also at the Executive Committee - was the October Board meeting and whether it should be held at Williamsburg. Both Committees agreed that the meeting should be held at Williamsburg as scheduled on October 22 - 24.

The Planning Committee accepted the proposal of the Melamine Dinnerware Committee to self-fund a \$9,000 pilot study on opportunities for the group in advertising and public relations.

The Committee accepted a proposal by the EPS Custom Molders for a separately funded fire testing program. However, the Planning Committee recommended that this operating unit continue to function as part of the Cellular Plastics Division.

The Planning Committee also accepted a proposal from the EPS Block Molders for raising \$120,000 to fund a full-scale public relations program which included the hiring of a full-time EPS staff director. This approval was given with four conditions: 1. that the money be pledged; 2. that the program be spelled out in full detail; 3. that the members of the group commit to three years' continuity for the person hired, and 4. that this group continue to coordinate with and operate within the Cellular Plastics Division.

The Planning Committee noted that progress was being made in the information of an Eastern Section under the temporary Chairmanship of Ken Broo.

The Committee also noted the concern of the Fluorocarbons Division about the continuing appropriateness of their name.

The Planning Committee joined with the Processors' Committee in recommending a renewal of a labor information service bulletin, and the availability of a person who could speak at various SPI meetings about labor problems. The cost of this project has to be approved by the Finance Committee.

The Planning Committee discussed third party liability relative to machinery manufacturers and the Processors Committee's recommendation on the matter. The Planning Committee recommended that the SPI Chairman establish a three man committee to prepare an SPI position statement on third party liability relative to machinery manufacturers. It was further agreed that the committee be comprised of a representative of the Machinery Division, one from the Processors Committee, and a third member named from the resin suppliers. These members will be named by the SPI chairman.

PLANNING COMMITTEE REPORT (cont.)

Mr. Reib explained the adverse potential of third party liability upon all members. He said that the second largest problem facing Machinery manufacturers was third party liability law suits and rapidly escalating liability insurance costs. As examples of the problem, he said that companies with sales of 10 - 15 million dollars have reported insurance increases from \$1,300 to \$168,000 in four years. Larger companies have reported insurance increases over a 15 year period of from \$13,000 to \$361,000. This problem can be compared to the problems doctors have with mal-practice insurance. At present there are more than \$50,000,000 in accident cases pending just among a half dozen members of the Machinery Division. Ninety percent of the suits involve marginal operators. As a result of the proliferation of cases and escalating insurance costs, the costs of machinery must go up. The Machinery Division feels that this should be the concern of the entire SPI. Senate Bill 2018 places minimum federal standards on workmen's compensation. The Machinery Division wants to work closely with all SPI members on this matter.

Mr. Shaw reported that the Planning Committee had approved the Los Angeles office move, subject to Finance Committee approval. The Finance Committee has also approved the move.

The committee also discussed SPI's one-year objectives and SPI's five-year objectives. By October a more specific detailed plan will be presented to the Board.

Mr. Formo motioned to accept the Planning Committee Report, Mr. Kittredge seconded the motion and the Board approved the motion.

Mr. Scott asked for a motion to ratify the SPI Board Committee assignments of members on the respective Board committees. Mr. Hoffer motioned that the Board committee assignments be approved, Mr. Estabrook seconded the motion. The motion carried.

PUBLIC AFFAIRS COMMITTEE REPORT

Mr. Sutro stated that some of the results of the aggressive and positive PAC program are now becoming evident. As the SPI takes a higher profile, there may also be more negative publicity directed to SPI and its members. Mr. Sutro used the example of the VCM-PVC producers group, and the publicity about the fact that Bill Ruckleshaus was representing them.

Mr. Sutro reported that the PAC was under budget for fiscal 1974 - 1975 by \$804 having spent \$979,196. The PAC has awarded \$1,500 to the Smoke, Fire and Burn Foundation. Following its usual practice as of June 1, PAC began monitoring State regulatory agencies under the guidance of Hill and Knowlton and Martin Ryan Haley. At present 23 states are being monitored, but eventually all 50 states will be covered.

Mr. Sutro stated that through the efforts of SPI, the Products Research Committee (the committee established by the FTC Consent Order) approved credits of \$277,000 of research projects submitted by the SPI, with the assistance of the Coordinating Committee on Consumer Safety and the staff of Keller and Heckman.

It was reported at the June 26 Operating Group Meeting that Don Bryan, who was Chairman of the Legislative and Public Relations Committee resigned. Mr. Moore has taken Mr. Bryan's place. Mr. Bryan will remain on the Committee.

Mr. Moore then gave a 20 minute slide presentation on the Government Relations and Public Relations work done by PAC. Mr. Scott and Mr. Niedfeldt believed that Mr. Moore's presentation could be used very effectively at Section and Division meetings.

Mr. Heckman then reported on the legal activities of Keller and Heckman since the latest material in the Report Notebook.

1. NIOSH has published a list of suspected carcinogens. This list includes lactos, polyethylene, melamine, ethylalcohol and many others. An SPI bulletin will be published with this information and a recommendation that companies submit pertinent data to NIOSH.

At present SPI is attempting to have OSHA recognize that some resins can be considered fabricated products because no matter how they are distributed and used, they will not give rise, past a certain point, to exposures above the action level. A certain amount of success has been achieved on this point. Some FVC companies are not labeling their bags of resin as required by the OSHA Standard because they take the position that those resins will not lead to any action level exposure - above 1/2 ppm.

Our activity with EPA is moving along very well. Recommendations on the regulations have been made to the administrator and hearings will be held in the fall.

The FDA is now facing a public relations problem due to the petition filed by the Health Research Group. While nothing has been published as yet, the FDA is working on a document.

2. Mr. Heckman reported that the EPA has published guidelines for Government agencies requiring them to handle only beverage containers on which there would be a deposit. This was done in response to a Sierra Club petition.

PV: (cont.)

This is not an actual ban on plastic beverage container use by Government agencies and possible courses of action are being investigated.

3. In the state of Minnesota, SPI and other were successful in getting a motion for a temporary injunction granted to keep the pollution control agency from enforcing their packaging regulation.
4. In the District of Columbia, the city council was considering a non-returnable bill. Hearings will be held, and it will probably pass. However, bills of this type are usually contingent upon Montgomery and Arlington Counties passing the same bill. It is highly doubtful that these counties will pass a similar bill.
5. Mr. Tiernan then explained the Federal Trade Commission's revised proposed rule which was published on July 23. An analysis of this proposed rule has been distributed, asking for comments from the recipients by August 8. The revised rule would limit product coverage to cellular plastics in construction of buildings and similar enclosures; furniture would be included only so far as prohibition against terminology such as non-burning and self-extinguishing are concerned. The rule would cover all aspects of combustibility including toxicity and smoke as well as flammability. The heart of the rule dealing with combustibility representations has been changed so that those representations must be based on competent tests to the extent that such tests are recognized as probative at the time. The tests do not have to be fully reliable or determinative as originally proposed. Existing tests could be used under proscribed conditions and warning and cautionary statements would be required where unreasonable combustion hazards were determined to be present. The warning and cautionary statement would not be a mandated statement, but a statement which a company would use to deal with the risk it ascertained. The Commission order states that comments have to be filed on September 22 or perhaps later depending on what further action the Commission might take. Public hearings will be scheduled at a later time.

Mr. Willert motioned to approve the Public Affairs Committee report. Mr. O'Connell seconded the motion and the Board approved it.

SPI CANADA

Mr. Evason expressed greetings from SPI-Canada. He read the following letter from Linton Love, Chairman of SPI-Canada's Board addressed to the SPI Board of Directors:

SPI CANADA (cont.)

"Mr. Ralph Harding has given Canada not only moral support but much valuable advice to the various problems that beset the plastics industry on both sides of the border. Too often this type of help is taken for granted and goes unrecognized. But we, the Board of Directors of the Society of the Plastics Industry of Canada wish to emphasize how much we appreciate the continued friendship and practical assistance of Mr. Ralph Harding.

Yours sincerely,

Linton E. Love
Chairman"

SPE

Mr. Myers reported that the SPE ANTEC held in Atlanta was highly successful even though attendance was down. Financially SPE had a good year with an expected net surplus of approximately \$40,000. Financial projections for 1975 - 1976 are lower, but SPE is still expected to operate in the black. Recent activities within SPE include the establishment of an Ad Hoc Committee on Safety and Health, a RETEC on PVC to be held in Chicago on October 21 and 22, 1976 and the 1976 ANTEC, which will be held in Atlantic City. SPE's Executive Committee held its first meeting on long-range planning and one of the topics discussed was SPE's involvement with Government. It was concluded that the only role SPE should play is to supply technical information and expertise to Government.

Mr. Forger stated that he thought the idea of having SPE representatives at SPI meetings and vice versa was a most fruitful kind of liaison. Mr. Forger stated that Mr. Harding's and Mr. Heckman's speech at the Atlanta ANTEC was excellent. The speech is now being distributed to approximately 900 members within SPE. The July issue of Plastics Engineering carries an editorial in answer to the New York Times column on William Ruckleshaus. Mr. Forger offered to help SPI reinforce its cause through SPE's membership and its magazine in the industry's best interest.

Mr. Harding stated that a meeting would be called between SPI and SPE to discuss further work on SPE sections around the country relative to supporting activities on industry programs of interest.

PLASTICS INSTITUTE OF AMERICA

Mr. Spaak gave the Board members a preview of the Plastic Institute's position paper on long-term research. The PIA will try to act as a coordinator for polymer research projects between universities, industry and Government. Such an activity will prevent duplication of effort in research. The PIA will take

PIA (cont.)

a survey to determine whether this kind of project is at all feasible. If this is proven to be feasible, a Research Director will be hired by PIA. Mr. Spaak asked for SPI's cooperation.

OPERATING UNIT REPORTS

MIDWEST REPORT

Mr. Glatt reported that although the attendance at the Midwest Conference was down, it proved to be an excellent meeting.

NEW ENGLAND SECTION

Mr. Estabrook stated that the New England Conference would be held September 16 - 18, 1975.

WESTERN SECTION REPORT

Mr. Halliday called the Directors' attention to the establishment of a Scholarship Committee as part of the Western Section's Annual Conference. This will provide positive publicity and it will be self-funded.

PLASTIC BOTTLE INSTITUTE

Mr. Pollock reported that the Institute's Annual Meeting at Pebble Beach went extremely well. He stated that his company had taken part in the SPI Fire Testing Program, and as a result of the data collected, SPI was able to convince Factory Mutual that SPI's criterion should be accepted. Mr. Pollock stated that economically this had a huge impact on his company. Had he been bound by Factory Mutual's standards, Consupak's insurance premiums in one plant alone would have risen in excess of 400%.

INTERNATIONAL COMMITTEE

Mr. Harding reported that the active members of the International Committee were in the process of reviewing their objectives and their role within SPI. One of the concerns facing them is how to cope with the forthcoming tariff negotiations and whether that activity, on behalf of the plastics industry, should be conducted within SPI or be conducted by the Office of the Chemical Industry Trade Advisor which operates under MCA auspices.

NATIONAL PLASTICS EXPOSITION AND CONFERENCE

Mr. McCreary up-dated the report on NPE stating that at present there were 122 applications for space. Total square footage is 106,803. The average

NATIONAL PLASTICS EXPOSITION AND CONFERENCE (cont.)

square foot application is now 875. There are 38 exhibitors who have requested additional space over the 1973 show for a total of 13,271 square feet. 54 exhibitors requested the same amount of space as 1973 and 22 exhibitors requested less space than 1973 for a total of 3,156 square feet. There are 8 companies requesting space who did not exhibit in 1973 and this represents 3,440 square feet. The net gain in space over the 1973 show is 7,115 square feet or 7.4%. Since 1973 was a record show, any gain reported at this time means that NPE is ahead.

Mr. McCreary also discussed the benefits of exhibiting at the NPE.

Mr. Heckman reported on the NPE tax situation. The national IRS office has turned the case back to the regional office and told them to decide the case on the "selling" issue. This is a favorable development since the IRS canvassed exhibitors and found no evidence of sales activities. No action is expected for a while.

NEW ACTIVITIES

Mr. Harding stated that the Eastern Section is starting to function with a conference planned on September 24 - 26.

The Washington office is functioning very well and they are off to a good start.

355 LEXINGTON AVENUE

Mr. McGrath reported that the move to 355 Lexington Avenue went very smoothly. He invited all the Board Directors and guests to visit when they are in New York. The larger conference room will allow us to have more meetings in the SPI office. The mailroom is larger and, with more printing equipment, there could be great savings on outside printing jobs. The new office represents the importance of the plastics industry.

FUTURE MEETING DATES

Ms. Jones reported on the future meeting dates of the Board. The next Board meeting will be held in Williamsburg, Virginia on October 22 - 24, 1975. On February 11 - 13, 1976 the Board will meet at Innisbrook, Tarpon Springs, Florida. The Annual Meeting and Board meeting will be held in Washington on April 5 - 7, 1976 at the Mayflower Hotel. On July 27 - 30, 1976 the Board will meet at Del Monte Lodge, Pebble Beach, California.

Mr. Harding stated that there would be a change in the format of the Williamsburg meeting. It is proposed to start the formalities on Thursday morning. Board Committees will meet Thursday afternoon with the full Board meeting on Friday morning. The schedule will be sent out in the meeting notice.

FUTURE MEETING DATES (cont.)

The three meeting a year schedule will be as follows: A Summer Meeting, an October Meeting and a combined Board and Annual Meeting in March in Washington.

Mr. Harding then informed the Board that Charlie Condit is due to retire on September 1. Mr. Condit was responsible in large part for the smooth transition from 250 Park Avenue to 355 Lexington Avenue. Mr. McGrath will be in charge of a staff and friends farewell for Charlie to be held in November.

Board members will receive an announcement on this matter.

SPI LOGO

Mr. Scott presented the revised SPI logo, which was slightly changed and colored in blue.

Mr. Becker motioned to approve the new SPI logo, Mr. Flynn seconded the motion and the Board approved it.

There being no further business to transact, the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Laura E. Jones
Secretary to the Board of Directors.

"REPORT ON CURRENT STATUS OF NPE TAX CASE" */

In general, the Internal Revenue Service has asserted that income derived by the Society from the Twelfth National Plastics Exposition held in November, 1968, ("1968 NPE") is subject to unrelated business income tax. Messrs. Cohen and Uretz, special tax counsel to the Society, on behalf of the Society, filed a Petition in the Tax Court on February 15, 1974, contesting the I.R.S. determination. The Petition sets forth assignments of error which the Society contends were committed by the Commissioner of Internal Revenue in his determination of the deficiency. The Society maintains that its gross income from the 1968 NPE did not constitute unrelated business taxable income. This contention represents the primary position taken by the Society during the administrative proceedings in connection with this matter.

The Society also contends that the determination of deficiency by the Commissioner was invalid and void. In particular, the Society contends that (1) the determination of deficiency violated the Society's right to due process of law because the Commissioner failed to follow his own established rules and procedures; (2) in the determination of deficiency, the Commissioner acted arbitrarily and capriciously and abused his discretion in applying a change in his rules and procedures retroactively with respect to the Society and (3) in determining that the amounts received by the Society from the 1968 NPE constituted unrelated business taxable income, the Commissioner discriminated unlawfully between the Society and other similarly situated organizations. These theories of discrimination and violation of due process of law as applied to the tax law represent new and developing areas of the law.

These allegations derive from the Internal Revenue Service's officially announced position that it will not challenge, pending the completion of a study, the tax exempt

*/ Prepared for inclusion in Advance Report by Jerome H. Heckman, SPI general counsel, for the SPI Board of Directors meeting to be held at Marriott's Lincolnshire Resort, Lincolnshire, Illinois, July 23-25, 1975. This Report was drafted with the assistance of specially retained tax counsel, Messrs. Cohen and Uretz, of Washington, D.C. Any developments which occur subsequent to the preparation of this Advance Report, will be included in a current Report prepared for the meeting.

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treatment of certain income derived by exempt organizations from the rental of display space at a "convention display type of trade show". The precise definition of a "convention display type of trade show", however, is not publicly available. The Society has taken the position that the 1968 NPE is such a trade show and, accordingly, the determination of deficiency results in discrimination against the Society without a rational basis therefor.

In the alternative to the assignments of errors discussed above, the Society contends in the Petition that if its gross income from the 1968 NPE was determined to be derived from an unrelated trade or business, certain expenses were erroneously not allowed as deductions by the Commissioner. These expenses, it is contended, should have been allowed by the Commissioner as deductions because they were directly connected with the carrying on of the 1968 NPE.

The Government filed its Answer to the Petition on April 18, 1974, generally denying all of the substantive allegations. The I.R.S. attorney assigned to the case, after preliminary discussions with Messrs. Cohen and Uretz, agreed to send the case to the National Office of the Internal Revenue Service for technical advice. This procedure is followed for the purpose of assuring consistency in the national policy of the Internal Revenue Service with regard to important issues. The National Office of the Internal Revenue Service issued technical advice and directed Regional Counsel to proceed with this case.

After consultation with Jerome H. Heckman, general counsel to SPI, and with the approval of the Society, Messrs. Cohen and Uretz have begun preparation for trial. A trial of this matter will entail the normal conferences (for purposes of exploring settlement or stipulating facts), witness and document preparation for trial preparation, presentation of evidence at trial and post-trial briefing. In addition, in order to support the Society's claim that it is being unfairly discriminated against by the Government, the Society has commenced discovery under the new Tax Court discovery procedures. These discovery procedures could be important to the outcome of this case and could involve a substantial controversy over collateral legal issues if cooperation is not forthcoming in this regard from the Internal Revenue Service.

Because the Government's case appears to rest primarily upon the factual assertion of selling activities during the 1968 NPE, Messrs. Cohen and Uretz have advised that settle-

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ment discussions during the course of trial preparations are still warranted, and have commenced such discussions. At a conference with the Internal Revenue Service held on March 4, 1975, Messrs. Cohen and Uretz were informed of the basis upon which the National Office issued technical advice on this case. The National Office takes the position that income derived from a trade show is not exempt from the tax on unrelated business taxable income if any one of the following three elements is present:

1. The existence of advertising for the show indicating that sales may be made or orders may be taken;
2. The condoning, either openly or clandestinely, by the host organization, of sales or order-taking; or
3. The occurrence of substantial sales or order-taking at the show.

In a subsequent conference held on May 2, 1975, Messrs. Cohen and Uretz responded directly to each of the three elements in the technical advice, providing representations regarding the nature of testimony which would be forthcoming at trial, and documentary support.

In this connection, however, the I.R.S. attorney handling the case took the position that he wished to satisfy himself concerning any selling activities and had commenced a canvass of exhibitors to determine the extent, if any, of sales activity at the 1968 NPE.

Messrs. Cohen and Uretz understand that the results of this canvass indicate that no substantial selling activities were conducted at the 1968 NPE, and conform to the representations previously made and information previously furnished to the I.R.S. on this issue.

In addition, the I.R.S. attorney advised Messrs. Cohen and Uretz that the technical advice he had received had concluded that the I.R.S.' policy with regard to "convention displays" is not applicable to the Society. However, he resubmitted the case to the National Office for resolution of a conflict between the technical advice memorandum he had received in the SPI case and that in another case involving a trade association which had received favorable treatment on this issue.

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When the results of the I.R.S. canvass were received and confirmed the Society's position, Messrs. Cohen and Uretz requested first informally of the I.R.S. attorney handling the case, and after refusal, formally in a letter written to the National Office, that the case be returned to the regional office of the I.R.S. for concession. The basis of the request is that the absence of substantial selling activity at the 1968 NPE established the Society's basic position and rendered the convention display issue moot. In the event that the National Office refuses to pursue that course of action, Messrs. Cohen and Uretz intend to prepare a memorandum for submission to the National Office on the convention display issue and if no answer is forthcoming by the end of July, proceed to prepare for trial.

This case is important to the Society. The amount of taxes involved is substantial. The Commissioner has determined a deficiency in income taxes for the fiscal year ended May 31, 1968, in the amount of \$192,762.00. Moreover, the issue raised by the Internal Revenue Service is a continuing one because the Society holds an Exposition approximately every two and one-half years.

bmw

SPI-22277

"Report on the Regulatory Status
of Vinyl Chloride and Polyvinyl Chloride" */

Following up on the report given at the April, 1975 Board Meeting, the vinyl chloride (VCM) and polyvinyl chloride (PVC) situation resulting from the well reported alleged problems relating to potential ingestion of vinyl chloride migrating from finished PVC into packaged spirits or food, and the potential inhalation by both industrial workers and the general public of vinyl chloride as a result of vinyl chloride/polyvinyl chloride manufacturing and PVC fabricating operations continues to involve at least three major federal agencies: the Food and Drug Administration (FDA), the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA).

You will recall that we reported previously on the industry's attempts to overthrow the OSHA Standard for Occupational Exposure to Vinyl Chloride published on October 4, 1974. Following an adverse decision by the United States Court of Appeals for the Second Circuit in our initial court test, the VCM and PVC Producers Committee voted to try to appeal the Second Circuit decision to the United States Supreme Court. The industry's Petition for Writ of Certiorari, filed with that Court on March 19, 1975, was denied on May 27, 1975. As a result of the Supreme Court's decision, there being no other legal recourse available, the Vinyl Chloride Standard must now be considered final, though subject to amendment by agency action, in the form in which it took effect on April 1, 1975.

As far as further OSHA regulatory action is concerned, as could be expected, during the entire time of the court test until April 1, 1975, the situation with the OSHA Standard was in something of a state of limbo. After April 1, the OSHA Staff went to work. It finalized and distributed a Program Directive and publicized frequently asked questions with answers both for the benefit of its field offices and the regulated industry.

Despite this guidance from OSHA headquarters in Washington, however, some of its offices, both in Washington and

*/ Prepared on July 3, 1975 by Jerome H. Heckman, SPI General Counsel, for advance inclusion in the Notebook prepared for use of the SPI Board of Directors at its meeting to be held at the Marriott Lincolnshire Resort, Lincolnshire, Illinois on July 23-25, 1975.

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in the field are experiencing definitional and administrative difficulties in enforcing the Standard. This has led, unfortunately, to some non-uniform citation activity, primarily in the areas of the definition of "fabricated product" and the application of the "permissible exposure limits" section of the Standard.

Inasmuch as these problems should be resolved fairly shortly, it would appear that the VCM and PVC producers and fabricators are learning to live with the new Standard. In cases where real difficulties have been encountered, affected parties have applied for variances until they are able to comply and for advisory opinions concerning whether certain activities are affected by the Standard.

Turning to the Food and Drug Administration front, we are now advised that some of the basic differences between FDA's Bureau of Foods' positions and the requirements or desires of the offices of the Commissioner and Chief Counsel may be resolved or, at least, are much nearer to resolution. Thus, the long awaited proposed Interim Food Additive Regulation or Regulations regarding PVC should be published very soon.

At this time FDA is still planning a proposed Regulation that would require that all PVC used for food packaging applications (including cosmetics and drugs which are used orally) show no detectable vinyl chloride extraction. This "no detectable" determination would be made by application of an analytical procedure sensitive to 50 parts per billion (ppb); the procedure is expected to be published as a part of the proposed Regulation.

We would actually anticipate that the proposed PVC Regulation will be a "package" including several Regulations which, together, would include a reaffirmation of the prior sanctioned status of PVC for all uses, subject to its compliance with the "no vinyl chloride detectable" limitation; a proposed Interim Food Additive Regulation applicable to all vinyl chloride polymers stating the limitation that no vinyl chloride may be detected in food simulating solvents under the intended conditions of use; and possibly one or more Regulations governing the use of PVC for packaging cosmetics and drugs. We also anticipate that the proposed Interim Food Additive Regulation for PVC will include a requirement for certain toxicological testing, with the Interim Regulation to run until the tests are complete.

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Obviously, we have no way of being totally certain that the currently circulating drafts will be acceptable to all parts of the FDA hierarchy. If it is, proposed Regulations can be expected in a matter of weeks. If significant revisions are demanded at some level, however, the publication of the proposal could be delayed.

The main reason we have been more optimistic recently is because FDA seems to have found an objective criterion upon which to base a "non-detectable at 50 parts per billion" requirement. Specifically, FDA has now completed a sophisticated statistical assessment of the "risks" involved in consuming foods packaged in PVC. Without trying to explain exactly how this "risk data" was developed, suffice it to say that with this objective assurance at hand, our FDA contacts have indicated publicly (at the last meeting of SPI's Food, Drug and Cosmetic Packaging Materials Committee) their belief that the proposed Regulations will now move quite speedily through administrative channels.

At the time of this writing, the Health Research Group (HRG), a Ralph Nader-financed organization, has just filed a "Citizens' Petition" calling upon FDA to ban all PVC food packaging materials as the only way to assure compliance with the Delaney Clause, that is, that portion of the Food, Drug and Cosmetic Act which prohibits the use in food of any substance found to induce cancer when ingested by man or animal.

Although we will undoubtedly have more information to report to you at the Board Meeting, we should point out our belief that the HRG Petition is defective and, in any case, should not cause FDA to react in any presently unexpected way because (a) the Delaney Clause does not bar use of a substance that is not shown to be migrating to foods, (b) the public health will not be threatened by the Interim Food Additive Regulation because it is anticipated that such Regulation would prohibit detectable vinyl chloride migration and (c) the requisite Environmental Impact Analysis Report required by FDA Regulations was not included with the Petition.

When the HRG Petition was filed and widely publicized in accordance with normal Nader group procedure whereby the Press is copied first and a Petition is filed with the Agency

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simultaneously or later, we took every reasonable measure to assure that the industry, its customers, the Press and FDA were informed that we viewed the Petition as an inappropriate attempt to gain publicity and credit for an action already about to be taken by FDA. We feel the reaction thus far has been satisfactory and that the most the Petition will accomplish is to hasten release of the FDA proposal which, of course, we favor.

The U.S. Environmental Protection Agency, in the meantime, has continued its studies relating to vinyl chloride with a view, ultimately, towards regulating it as a hazardous air pollutant under §112 of the Clean Air Act. Under the guidance of SPI Associate Counsel, the law firm of Ruckelshaus, Beveridge and Fairbanks, productive liaison activities have enabled industry to make effective use of a considerable volume of information it had available to present to the Agency. With information supplied by industry members, representatives of the VCM and PVC producers have engaged in a series of meetings with EPA that is still not complete. In general, these meetings have been held to discuss various control techniques that EPA made known it is considering and to offer alternative and additional thoughts on approach and technology. Similarly, a number of meetings have been held between industry's health and economic experts and EPA personnel studying those considerations as they relate to the background for the Standard it intends to propose.

In addition to determining that EPA's forthcoming proposal will cover only PVC and VCM plants and will not apply to fabrication plants, the industry's representatives have urged EPA to modify its draft proposal to a considerable extent in many important areas. Also, largely as a result of industry input to EPA and the Agency's need for time to integrate that information into its own proposal, the Agency has delayed publication of its proposal from mid-June to around the first of August with a target effective date for finalizing the Regulation of late fall, 1975.

As of the time of our latest reports, the proposed Standard was being reviewed by the EPA Steering Committee. Next, the EPA Assistant Administrators will review the Standard and forward it to the Acting Administrator. From there it will be sent to the Office of Management and Budget for review and circulation among the other interested federal agencies.

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Associate Counsel has also provided the VCM and PVC Producers Group with considerable information about Congressional interest in proposed amendments to the Clean Air Act, especially as they relate to the redefinition of the term "hazardous air pollutant" and the relationship of such a potential redefinition to EPA's authority to regulate substances like vinyl chloride.

Directly related to these proposed amendments, and the apparent reason why EPA is seeking a broadened definition of "hazardous air pollutant," are some recent court cases wherein it has been concluded that a design or process requirement of the nature to be proposed for vinyl chloride is not a "Standard" authorized under §112 of the Act. The important issue of whether a Standard that fails to establish a specific emission level meets the statutory mandate is, of course, of potential significance vis-a-vis the ultimate EPA Regulation for vinyl chloride because of EPA's current inability to specify a numerical emission Standard based on known health effects.

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Report on the Status of Activity With
Respect to Plastic Bottles for Carbonated
Beverage and Beer Use and Acrylonitrile
Copolymers for General Applications*/

On September 7, 1973, FDA published a Notice requiring the submission of Environmental Impact Analysis Reports (EIAR) covering the use of plastic bottles for carbonated beverages and beer. That Notice stated that FDA expected eventually to issue an Environmental Impact Statement (EIS) on each form of packaging material, and that the Statement on Plastic Bottles for Carbonated Beverages and Beer was merely the first of an expected series of Statements.

In response to that Notice we filed a three-volume EIAR for Plastic Bottles for Carbonated Beverage and Beer Use on December 6, 1973.

On April 2, 1975, some 16 months later, FDA made available its "Draft Environmental Impact Statement--Plastic Bottles for Carbonated Beverages and Beer." Almost simultaneously, FDA promulgated a new Environmental Impact Regulation (Section 6.1(a)(3)) to provide the legal basis for its draft EIS conclusion.

The new Regulation notes that FDA's statutory mandate requires it to promulgate responsive Food Additive Regulations if Petitions are submitted which show that the food additives subject to such Petitions are safe. It is also noted that this is so even if an Environmental Impact Statement prepared as required by the National Environmental Policy Act of 1969 (NEPA) leads to conclusions that adverse environmental effects would result from a newly regulated food additive use, provided the adverse effects are not relevant to public safety or health in the commonly understood sense. The posture FDA has thereby embraced is obviously of major significance.

In the first place, it permits the use of technologically suitable plastics for bottles and, by implication, the use of all "safe" plastics for any otherwise permitted

*/ Prepared on July 3, 1975 by Jerome H. Heckman, SPI General Counsel, for advance inclusion in the Notebook prepared for use of the SPI Board of Directors at its meeting to be held at the Marriott Lincolnshire Resort, Lincolnshire, Illinois on July 23-25, 1975.

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application. It embodies the legal position urged by SPI and the Ad Hoc Nitrile Resins Committee (which has now been superseded by the PAC's new Plastic Beverage Container Group); that is, in our opinion, it properly indicates that responses to aesthetic and other environmental concerns should be handled by legislative rather than administrative procedures.

Secondly, since FDA has always considered public safety among the basic criteria against which to evaluate Food Additive Petitions, there would now appear to be no further need to call for the same type of exhaustive EIARs on other packaging materials since no responsive FDA action could be anticipated. Should this concept be upheld in the courts, it would represent a major benefit flowing from the response of SPI and the other affected firms to the FDA Notice on Beverage Bottles.

In both the Federal Register Notice announcing the new revision in the Environmental Impact Regulation and in the draft EIS, FDA invited a legal challenge to its decision not to deny Food Additive Petitions on an environmental basis. As expected, the FDA position that NEPA should not be superimposed on the Federal Food, Drug and Cosmetic Act and that FDA should therefore continue to limit its considerations to those of safety for an intended use did not go unchallenged. In fact, on May 5, 1975 the Environmental Defense Fund, Inc. (EDF) filed a Petition for Review of the Agency's action.

The EDF Petition was filed in the United States Court of Appeals for the District of Columbia Circuit. Considering the facts that the EDF Petition may have been filed in the wrong court and that FDA's position on the question of the Court's jurisdiction is phlegmatic at best, we were authorized by the Plastic Beverage Container Group to intervene in the EDF suit in order to preserve SPI's right to participate as required in this very important court action. SPI's June 3 Motion to Intervene was granted by the D. C. Circuit on June 11.

In essence, the Motion to Intervene was made to enable SPI to present its position in opposition to the Environmental Defense Fund rather than to take the side of FDA. Despite the fact of our participation in the case and our understanding of the jurisdictional difficulties involved,

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we do not at this time plan to raise the question of jurisdiction. In fact, while the Motion to Intervene has been submitted, it should be pointed out that we are still in a position where SPI can decide not to file a brief or decide to file only a short brief to emphasize a particular point and not request oral argument time. We continue to believe the most persuasive presentation to the Court would be a strong and vigorous Agency defense. As a result, we are maintaining as low a profile as possible where industry is concerned. If FDA's approach to the litigation does not become more aggressive, we will have preserved our right to participate in the Court's review of the Regulation and will be able to oppose the EDF Petition with the full rights of an intervenor.

Turning now to the draft EIS itself, FDA has tentatively concluded therein that:

1. Plastic barrier bottles will probably decrease the consumption of refillable glass containers.
2. Non-refillable plastic bottles are no worse than, or are better from a distinct safety advantage point-of-view, than other non-refillable container types.
3. Refillable glass bottles are preferable over all competing non-refillable containers.
4. Any decision on the environmental impact of refillable plastic bottles should be postponed until the technology exists for the production and marketing of these containers.
5. The Food Additive Regulations which have been promulgated and the Food Additive Petitions which have been filed may not be revoked or denied on the basis of the findings of adverse environmental impact.

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On June 13, we filed Comments on behalf of SPI's Plastic Beverage Container Group stating that the Society agrees completely with the essential dispositive position of the draft EIS insofar as it states that FDA should not refuse to issue regulations for non-refillable plastic bottles for carbonated beverages and beer use. It was stated further that, nonetheless, SPI is of the view that this correct conclusion was not as fully supported as it might have been with a more complete analysis and balancing of available alternative decisions. The conclusion reached relative to the environmental impact of plastic bottles was labeled as too narrow in scope and, as indicated in the text, inappropriate, inaccurately premised and/or inconsistent internally with the facts available.

Further issue was taken with the draft EIS relative to its specific findings regarding litter, resource recovery, refillability of plastic bottles, and energy recovered from final disposal systems.

Since the only potentially substantive adverse impact posited in the draft EIS was based on a comparison of the non-refillable plastic bottle with a hypothetical 15 trip returnable bottle--a comparison characterized by SPI as neither required nor contemplated by NEPA--it was urged that a new analysis for the final EIS proceed from an examination of the overall impact of each coextensive alternative decision and that these analyses be balanced as to impact. Not only would such an approach satisfy NEPA, it would also more fully support FDA's ultimate decision not to refuse to promulgate regulations covering materials intended for use in plastic carbonated beverage bottles. It was strongly suggested that FDA must simply compare new packaging with that which currently exists to meet its NEPA obligations and that it need not and should not apply NEPA retroactively by using the occasion to restructure the container-distribution system that exists. The Comments concluded that the final EIS should state that plastic beverage bottles are environmentally sound and FDA should not refuse to issue regulations for them.

Many others have also filed Comments on the draft EIS. We have summarized these for the Plastic Beverage Container Group to help it decide whether additional Comments

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on behalf of SPI will be necessitated. Other than the Comments filed by interested industry companies, the statements now in the Record rather predictably oppose the use of plastic bottles for carbonated beverages and beer. (Unfortunately, non-industry supporters of new products usually form the bulwark of what is called "the silent majority.")

Although some quasi-scientific Comments have been filed by a few consumerist/environmentalist parties which, in reality, oppose the use of plastic bottles, for the most part interest has centered on litter, energy use/refillability/reuse and the improper combustion of used bottles.

At present our opinion is that nothing at all will happen with regard to finalizing the EIS prior to the resolution of the pending EDF suit. Inasmuch as that proceeding is just beginning and questions have been raised as to whether the time for filing Comments should be kept open to a later date, we feel that adequate time is available to supplement the Record with any additional information required.

The latest complication to arise involves an Environmental Protection Agency (EPA) proposal to promulgate Solid Waste Management Guidelines for Beverage Containers. These Guidelines would require a mandatory deposit of five cents on all beverage containers sold at federal facilities. The EPA proposal has been circulated for interagency and industry review prior to publication in the Federal Register as a proposal. The Resource Recovery Division of EPA's Office of Solid Waste Management Programs (OSWMP) is soliciting Comments on the draft proposal until July 11. Presumably, publication of the proposal will follow that date and take into account the Comments filed. Of course, once published as a proposal, the Guidelines would still be subject to comment.

On June 30, those trade associations, including SPI, which are opposed to banning non-returnable beverage containers met to discuss the EPA draft proposal. The consensus was that every effort should be made to persuade EPA not to publish its "ban-the-non-returnable" guidelines as a regulatory proposal in the Federal Register and that this

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could best be done through each association's individual efforts in the Congress, in the Federal Agencies which would be the most adversely affected, and in association Comments on the draft proposal to EPA.

In addition, it was decided to consider the possibility of a legal attack on EPA to prevent formal publication of the proposal. To this end, a meeting of the trade association lawyers is expected to be scheduled for the second week in July to discuss the alternatives available. We will, of course, report on this at your meeting.

Apparently, the reason behind the EPA action is a suit filed over a year ago in California by EDF and the Sierra Club to force EPA to promulgate such a regulation for the Federal Agencies. EPA now seems to be attempting to "moot" the pending California litigation (which is still in the discovery process and not yet scheduled for trial) by preemptively taking the action which the environmentalists are asking the Court to require. If EPA is not dissuaded from its present plan to issue "ban-the-non-returnable" guidelines, a proposed regulation probably will be published fairly soon.

On a somewhat related front, FDA also issued a Notice of Proposed Rulemaking on November 4, 1974 which would add two new sections to the Food Additive Regulations to cover all acrylonitrile (AN) copolymers intended for use in contact with foods. That proposal would reaffirm such long-standing "prior sanctions" as exist for various ABS resins but condition the continuation of the prior-sanctioned status on specific migration limitations, and require additional toxicity studies. SPI filed extensive Comments in this proceeding stating, among other things, that the toxicity studies were understood to have been undertaken already by other parties which will be reporting the results to FDA. Another basic position advanced was that the proposed monomer extraction limitation of 0.3 ppm is unnecessarily restrictive in light of the existing toxicological evidence of safety and the limited conditions of intended use for the resins.

In support of the argument that the nitrile resins are only currently used and intended in the future for use under relatively limited conditions, SPI proposed in its Comments that the Rulemaking Record be kept open pending a survey of present and projected uses of the resins.

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Accordingly, a survey of AN copolymers in food contact applications was conducted by SPI and submitted to FDA. The responses accounted for 95% of 1974 domestic AN copolymer production and 33 of the 34 million pounds of sales reported for food contact applications were identified with specific uses. The survey revealed that AN copolymers may come in contact with about 0.02% of the human diet; this could increase to 3% by 1985. Assuming exaggerated conditions of use, i.e. that someone might take all his normal dietary food category requirements from AN packed foods, these figures increase to 12% and 22% of the diet for 1974 and 1985, respectively. The increase from 1974 to 1985 is predicted primarily on AN usage for beverage containers.

Our contacts at FDA indicate that the current draft of the AN Regulation would not cover non-film uses (e.g. margarine tubs) as "prior-sanctioned," but would give those companies manufacturing products not covered by the Regulation a reasonable length of time to submit a Food Additive Petition and permit continued marketing until final action on the Petition. We also have been informed that FDA has shifted its position slightly on migration towards using a 0.003 mg/in² migration level rather than a 0.3 ppm limit. This, however, is in effect no real change in permitted AN migration. Despite the AN survey, FDA's toxicologists have refused to approve any higher level.

As of this writing, FDA has not yet completed its draft of the AN Regulation, but it is expected to be finalized and begin circulating through the administrative offices in a week or two. This means that final FDA action on the AN Rulemaking is still at least several months off.

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Report on the Proposed "Housewares
Exemption" Rulemaking and Related Activity ^{*/}

As we have indicated to you in our prior reports, in April, 1974 the Food and Drug Administration published a Notice of Proposed Rulemaking indicating an intent to assert Food Additives Amendment pre-clearance jurisdiction over housewares and other items that might contact food.

Previously, of course, housewares and related food contact items used in the home, restaurants, and in some industrial applications have not been considered subject to the Food Additives Amendment because of an explicit statement of Congressional intent that the legislation should not be applied to components of dinnerware or ordinary eating utensils. Due to some special problems associated with nylon oven bags alleged to contain uncleared food additive components and a seizure case involving heavy metals migrating from colorants employed in improperly glazed pottery, however, FDA decided to try to assert petition-regulation jurisdiction over all of these exempt items.

The SPI Food, Drug and Cosmetic Packaging Materials Committee filed Comments on the "housewares exemption" Proposal in June, 1974. The Comments noted that the scheme to abolish the "housewares exemption," although designed to accomplish what otherwise might be a worthwhile objective, was too broad, violative of Congressional intent, unenforceable, and failed to address the critical issue of when a substance may not reasonably be expected to become a component of food.

Initially, the proposal was scheduled to be finalized during the fall of 1974 and, by the first of 1975, a procedure was to be established for pre-clearing any housewares components of uncertain status with FDA. However, the Agency has not moved as yet and the originally proposed December 31, 1974 deadline for filing petitions has long since become an inoperative date since no rules yet apply.

^{*/} Prepared on July 3, 1975 by Jerome H. Heckman, SPI General Counsel, for advance inclusion in the Notebook prepared for use of the SPI Board of Directors at its meeting to be held at the Marriott Lincolnshire Resort, Lincolnshire, Illinois on July 23-25, 1975.

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In the meantime, important progress has been made in educating the FDA Staff about the complexities involved and the longstanding background controversy over just exactly what is "no migration."

Although a proposed draft of the Regulation is understood to have been circulated between the Office of the Chief Counsel and the Bureau of Foods, current intelligence is that a new "final draft" is being proposed for consideration. This new draft is reported to be a much more reasonable version of the initial Proposal in that it is directed at specific problem areas and eschews a broad Regulation that would put countertops and refrigerator shelves in the same pre-clearance category as food packaging materials.

No reasonable prediction can be made as to when a final Regulation will be promulgated because of the need for careful FDA handling of problems related to repeated use articles, the "no migration" concept, and some very strong comments by SPI and other parties. In fact, as we understand it, FDA has taken such pains in attempting to limit the scope of the Regulation that a totally new proposal may be necessary.

Tangentially related to the "housewares exemption" matter is a case recently litigated in a U. S. District Court in Massachusetts, Natick Paper Board v. Weinberger. Though not a party of record, SPI has an important interest in this case. It concerns whether a substance (paper) which might become or contain a food additive if it is employed for packaging food can be seized by FDA as an adulterated food before it is used as a component of or for a food packaging material.

On March 4, 1975, the U. S. District Court Judge hearing the case ruled very narrowly sticking to the specific facts involved. The Judge held that FDA had the authority to recommend seizure of paper food packaging material containing polychlorinated biphenyls (PCB's) in excess of 10 parts per million as adulterated food because the PCB's may be food additives. Unfortunately, the Judge did not deal with the two basic issues which bear directly on the entire "housewares exemption" matter: (1) is a food packaging or food contact material a food for regulatory purposes, and (2) if a packaging material or food contact material is a food, can it be seized as adulterated food prior to its dedication to food contact use.

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An appeal from this decision was filed with the United States Court of Appeals for the First Circuit in Boston, Massachusetts on April 3, 1975. The Appellants' Brief was filed with the Court on June 19 and the Government's Brief presently is due on July 10. Oral argument, however, is not expected to be scheduled until at least September. A final decision by the First Circuit probably would not be handed down for several months after that.

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Status of the Federal Trade
Commission Combustibility Proceedings
and Related Civil Suits */

This report is intended to up-date all current developments concerning the Federal Trade Commission Consent Order, FTC's proposed Trade Regulation Rule, and the related products liability suits involving SPI. With respect to the Federal Trade Commission's Consent Order, SPI has virtually completed all of its duties thereunder and will now be obligated primarily to file annual Compliance Reports to the Commission. The Trade Regulation Rule proceedings have been officially dormant for quite some time; however, numerous informal discussions have occurred among FTC staffers and SPI representatives, and it is believed that a revised proposed Trade Regulation Rule will be published in the Federal Register shortly. The related civil suits are all pending in various stages.

FTC Consent Order Compliance Program

With the submission of its Compliance Report on April 2, 1975, SPI has complied with virtually all aspects of the FTC Consent Order. The only steps remaining to be effected are in the nature of ongoing duties. In this regard, SPI and its employees must continue to refrain from using the descriptive terminology as specified in the Order. This duty is perpetual with no termination date.

SPI must also assist in providing administrative and coordination assistance to the Products Research Committee (PRC), created by the Order. Currently the Society has been providing assistance to the Committee along with coordination with the Federal Trade Commission Staff regarding revisions to the Products Research Committee Trust Agreement and the drafting of a PRC Research Agreement that will be used to effect research grants sponsored by the PRC. SPI's duties to the PRC shall extend for five years, the originally anticipated lifetime of the Committee. The next formal obligation the Society has under the Order is to provide a Compliance Report on December 3, 1975, and each year thereafter with the last Report due on December 3, 1979.

*/ Prepared on July 7, 1975 by Jerome H. Heckman, SPI General Counsel, for advance inclusion in the Notebook prepared for the use of the SPI Board of Directors at its meeting to be held at Marriott's Lincolnshire Resort, on July 23-25, 1975.

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Trade Regulation Rule

The proceedings involving the Federal Trade Commission's proposed Trade Regulation Rule are still formally in a pending status as a result of the statutory mandate for FTC to establish new procedural requirements in rule-making cases as required by the Warranty/FTC Improvements Act. In the meantime, FTC staffers have been informally discussing the merits of the substantive plastics industry trade regulation rule proposal with SPI representatives, and the Commission intends to republish the proposed Trade Regulation Rule in a revised form in the near future. We have some reason for optimism that the revised proposal will give due recognition to the comments filed by SPI on the original proposed Rule last December.

Once the revised proposed Rule is published, a comment period of sixty days will be allowed and, subsequently, public hearings will be held.

Related Civil Suits

The Sunshine Mine Cases, at the present time, are pending before the United States District Court for the District of Idaho and are in the discovery process. (in these lawsuits, again, SPI as well as many resin suppliers have been named as defendants, in which the damages sought exceed one half a billion dollars.) The next pre-trial hearing date has been set for August 29, 1975 at which point SPI plans to file motions to seek its removal as a defendant from these actions. In the meantime, the plaintiffs have offered a group of "ancillary" defendants, including SPI, an opportunity to settle the case, the possibilities of which are currently being explored by the Society. Mr. Peter Jenkins of the Boise, Idaho law firm of Eberle, Berlin, Kading, Turnbow & Gillespie has been retained as Associate Counsel to represent the Society's interests in these cases.

All of the federal actions included in the series of suits known as the Staten Island Tank Cases have been consolidated with respect to the filing of responsive pleadings and for discovery purposes in Eria v. Texas Eastern Transmission Corp., 73 Civ. 668. (These cases, again, arose from a 1973 fire and explosion of a liquified

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natural gas storage tank killing 41 employees. SPI has been included as a defendant and third-party defendant in suits filed in both federal and state courts.) Eria has been set for trial on September 2, 1975, with the results of that case likely to dictate subsequent procedure in the remaining federal and state cases. The law firm of Gould, Climenko, Kramer & Casey has been retained as Associate Counsel and is representing the Society's interests. The likelihood of obtaining a dismissal of the Society from each of these cases is unknown at this

Country Club Acres v. PPG Industries, Inc., et al., is a civil action instituted in the New York Supreme Court in New York City, is pending at the trial stage, with Gould, Climenko, Kramer & Casey representing the Society's interests. Plaintiffs included the Society as defendant and are claiming damages in the amount of \$1,600.00 for the destruction of property and the existence of alleged unsafe conditions in certain structures located in upper New York State.

Royale Rolls Inc. v. Universal Oven Company, Inc., is pending and no trial date has been scheduled. The case was filed on July 30, 1974, includes the Society as defendant, and involves claims of property damages resulting from a fire destroying a large oven. The case was brought before the New York Supreme Court in New York with damages being claimed totaling \$1,770. The Society's interests are being represented by Gould, Climenko, Kramer & Casey.

Boha Land Inc., et al. v. The Advance Plumbing et al. is also pending with no trial date. The case was filed on June 12, 1973 in the Wisconsin Court in Racine, Wisconsin, where plaintiffs are seeking the amount of \$106,807.58 against a number of defendants including the Society and the Plastics Pipe Division of the Society. The case arose out of a construction site in Racine, Wisconsin involving plastics pipe. Mr. Gerald Flynn is Associate Counsel in this action and is being made to seek the dismissal of the Plastics Pipe Institute as defendants.

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Plastics Combustibility Issues at
the Consumer Product Safety Commission and
the Federal Aviation Administration */

Various flammability-related activities concerning plastics products have been initiated at the Consumer Product Safety Commission (CPSC) and the Federal Aviation Administration (FAA) within the last six months. SPI provided appropriate responses in each instance and is now awaiting subsequent agency action. Currently, all of these proceedings are in pending stages.

Consumer Product Safety Commission
Fact Sheet No. 41

The Consumer Product Safety Commission held a "public meeting" on March 6, 1974 concerning the contents of various of its Fact Sheets including Fact Sheet No. 41 "Plastics". Fact Sheet No. 41, while purporting to enumerate the risks posed by various plastics products used in and around the home, contained numerous incomplete or inaccurate statements of fact, such as:

"Plastics . . . tend to release
more [than traditional materials]
heat and smoke when they burn . . .
[and] release deadly fumes during
fires."

In an appearance at the CPSC "public meeting" scheduled to discuss the flammability-related Fact Sheets, SPI representatives pointed out the inaccuracies in the Plastics Fact Sheet. SPI also stated the positive value of plastics products when properly used and submitted a proposed rewrite of Fact Sheet No. 41 reflecting the Society's views.

The SPI comments were well received and the Society received a letter of thanks from William White, Director of CPSC's Bureau of Information and Education. The Commission Staff, which indicated that it intends to use the SPI information, stated that the Fact Sheet rewrite would be concluded shortly after the "public meeting". However, no redraft has yet been issued.

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Consumer Product Safety Commission
Furniture Petition

The Petition filed with the Consumer Product Safety Commission (CP 75-13) on December 20, 1974 by Professor Williamson is still being evaluated at the CPSC Staff level. The Petition requested that, in light of the alleged risk of injury posed by fires involving plastics structural foam furniture, CPSC establish a standard which would ban the use of these products unless they have been shown to be no more hazardous than comparable wooden consumer products.

The Commission has made no decision regarding the Williamson Petition even though the 120 day statutory deadline expired in April, 1975. Apparently, an internal position paper has been drafted by the Staff; however we have no information regarding the Staff's position nor has the paper been submitted to the Commissioners.

In the meantime, the SPI Styrene Producers Ad Hoc Committee of the Furniture Division, formed, in part, to prepare a response to CPSC action regarding the Williamson Petition, has continued its work in developing an analysis of the need for a furniture safety standard in light of the risks posed by the products, and the feasibility of modifying products to avoid any risks, where necessary.

Federal Aviation Administration Toxicity
and Smoke Rulemakings

The Federal Aviation Administration issued an Advance Notice of Proposed Standards on Compartment Interior Materials Toxic Gas Emission on December 30, 1974, with SPI filing Comments on March 27, 1975. On February 12, 1975, FAA published a Proposed Rule on Smoke Emission From Compartment Interior Materials, with SPI receiving a 30-day extension to file Comments, originally due on May 12, 1975, and submitted Comments on June 2, 1975.

SPI's position in the toxicity inquiry was already stated in an earlier report. In the smoke rulemaking the Society adopted an approach similar to the one followed in

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the toxicity proceeding, by advocating a systems approach to the control of smoke emissions in fire situations and emphasizing control of the burning jet fuel. SPI continued by giving a limited endorsement of the NBS Smoke Chamber as a valid test method for determining the smoke performance of products in actual fire situations. Finally, the Society stated that if numerical smoke density criteria, e.g. Ds 100, were to be placed on materials in aircraft interiors, any figures finally adopted should be based on valid testing data.

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Federal Regulation and Legislation Concerning
Petrochemical Feedstock Availability */

The only federal regulations currently in effect directly affecting petrochemical feedstock availability are administered by the Federal Energy Administration, where at least one major proceeding regarding feedstock availability is pending. Concurrently, various pieces of legislation are being proposed in the U.S. Congress that, if enacted, should facilitate the continued availability of adequate supplies of raw materials for the plastics industry.

Federal Energy Administration Allocations

In a proceeding currently pending before the Federal Energy Administration (FEA), In re Consumers Power Company, Jackson, Michigan, various parties are contesting a decision to allocate synthetic natural gas ("SNG" or "syngas") pursuant to FEA regulations. Under Subpart K - Other Products of the FEA Regulations (10 CFR §211.201 et seq.), syngas and petrochemical feedstocks, the raw materials for plastics resin production, are both allocated from the same refined petroleum fraction, especially the benzene, toluene, xylene (BTX) mix. As a result, users of SNG and the petrochemicals are in competition with each other with the allocation for one end-use being detrimental to the other.

In earlier FEA proceedings regarding SNG allocations, SPI presented written and oral comments to FEA in opposition to inclusion of syngas in the FEA rules for allocation on the grounds that such a policy would dilute the quantity of feedstocks available and necessary for the plastics industry. However, FEA rejected that argument and included syngas in its system of allocation.

In the current FEA proceeding, other petrochemical users are opposing the syngas allocations, with the final decision still to be made. However, the Consumers Power case, while still pending, does serve to exemplify the increasing demand pressures being placed on raw materials supplies by competing users.

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Proposed Federal Legislation

Various bills pending in Congress may also affect the raw materials supply situation. The House has recently passed and sent to the Senate H.R. 6860, "The Energy Conservation and Conversion Act of 1975." The major aspects of the Act include the imposition of (1) quotas, licensing and duties on imports of crude oil and refined petroleum products, (2) gasoline excise auto efficiency taxes, and (3) other excise taxes encouraging conversion away from use of oil and natural gas for industrial production purposes. Of special interest to the plastics industry is the special exclusion of petrochemical feedstocks from the import quotas. Thus, according to this provision, any import quotas on crude oil and refined petroleum products would not restrict availability of petrochemical feedstock imports.

Another Bill under consideration is S. 692, "The Natural Gas Production and Conservation Act of 1975." This Act alters Federal Power Commission regulation over natural gas by (1) increasing a ceiling price on "new" natural gas (but not deregulating natural gas prices entirely), (2) discouraging use of natural gas as boiler fuel, and (3) establishing categories of priority users to receive natural gas allocations in the event of emergencies. With respect to these priority categories, the Bill, while not mentioning petrochemical feedstocks, does establish a category for "other users using natural gas as a raw material."

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Status of Solid Waste Legislative Matters

As predicted, the 1975-1976 legislative season is turning out to be extremely active with an increased number of anti-chemical and anti-plastics proposals on both the state and federal levels.

Federal Legislation

So far this session, Congress has been preoccupied with matters pertaining to economics and foreign affairs. Solid waste and energy legislation, however, have come to the fore as the work on other measures was completed.

On the House side, the hearings on the "Waste Control Act of 1975" (Rogers), and other "ban-the-non-returnable" type bills were completed on April 17, 1975 by the House Interstate and Foreign Commerce Committee's Subcommittee on Transportation and Commerce. There was a good deal of genuine controversy over the resource recovery/source reduction question but apparently resource recovery was favored at the close of the hearings. Although a mark-up session on the bills has not been formally scheduled yet, the Committee has sent a preliminary outline of the legislation to the Government Accounting Office for an economic impact analysis.

During the last day of the hearings on the "Waste Control Act of 1975", Mr. John Quarles, Deputy Administrator of the Environmental Protection Agency (EPA), indicated that EPA would not resubmit the Hazardous Waste Bill at this time because of the President's economy edict, but did ask Congress to extend the "Solid Waste Act" (which expires on June 30) for another two years. The Senate Public Works and House Commerce Committees have reportedly decided on a six month extension and hope to have new legislation ready by that time.

In the Senate, the Commerce and Public Works Committees which have joint jurisdiction over solid waste

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legislation also have been wrestling with various measures on the resource recovery/source reduction issue.

Commerce completed its work on a draft "Source Reduction Bill" and Committee member Moss (D-Utah) introduced the Bill, S.1744, on May 14, 1975. The Moss Bill is similar to that introduced by Senator Hart last year in that it would give EPA authority to standardize containers, regulate disposal practices and, in effect, bar items presenting severe disposal problems. Commerce Committee Chairman Magnuson has requested that written comments be filed on the Moss Bill; depending on the issues raised by those comments, hearings may or may not be held. With the extensive legislative record compiled last year on the Hart Bill, the Committee could move directly to a mark-up session.

Public Works, on the other hand, is still reviewing its staff working paper of April 2, 1975 entitled "The Solid Waste Utilization Act of 1975". The Public Works Committee has received written comments on its draft and may have a mark-up session in mid-July. Once Public Works completes its review, the draft will be ready for introduction to the Senate.

With regard to the "Toxic Substances Control Act of 1975" (Tunney-Hart-Magnuson), the Senate Commerce Committee's Subcommittee on the Environment completed its hearings on the Bill, S.776, on April 15, 1975. The "Burden of Proof" amendment (Hart) to S.776 which would require industry to show that governmental action in an alleged environmental insult case is not justified, will also be up for Committee vote. Commerce has scheduled the Bill for mark-up several times over the past week but so far has not considered the proposal. It is possible that the Senate Judiciary Committee may attempt to claim joint jurisdiction on the "Burden of Proof" amendment.

The House version of the "Toxic Substances Control Act of 1975", H.R.7229, was introduced by Representative Eckhardt (D-Texas) on May 21, 1975. The Bill was referred to the House Interstate and Foreign Commerce Subcommittee on Consumer Protection and Finance and, after incomplete hearings in June, the Subcommittee has scheduled additional sessions for July 9-11. The House

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version is slightly broader than the Senate's S. 776 since it would prohibit sale and require pre-marketing screening for all "hazardous and potentially hazardous chemical substances."

Energy legislation also has been the subject of recent action by the Senate Commerce Committee. On May 8, Commerce reported to the Senate Floor by a 10-8 vote a complex Bill, S. 692, which would stop short of deregulation by boosting the Federal price ceiling on new on-shore natural gas produced by independents, but exclude new off-shore natural gas and natural gas produced by major concerns. A substitute Bill, Amendment 586, has been introduced by Senator Pearson (R-Kansas) and co-sponsored by ten other Senators; this Bill would deregulate all new natural gas produced by independents. Debate on the Senate Floor is expected to begin after the July 4th recess. Both the Federal Energy Administration and the Executive Branch are opposed to S. 692 because the legislation is not considered strong enough to effect a major increase in exploration for new natural gas reserves and reduce the current rate of consumption.

On related energy fronts, the full House in debate on the "Energy Conservation and Conversion Act of 1975" (Ullman) voted to place an excise tax on the business use of petroleum and natural gas. Apparently, the purpose of this provision is to encourage a switch to coal by industry. The Ullman Bill was passed by the House on June 20 and now goes to the Senate for consideration.

Also in the House, Representative Dingell's Energy Subcommittee of the House Interstate and Foreign Commerce Committee reported its own "Energy Conservation Act of 1975," H. R. 7014, to the House Floor on June 24. A provision of this Bill would bar the export of petrochemical feedstocks and, thus, help maintain the supply of basic plastics manufacturing materials. The House is expected to consider H. R. 7014 soon after its return from the July 4th recess.

The "Agency for Consumer Advocacy Bill" was passed by the Senate on May 15, 1975 after a 71-27 vote to close debate ended a four-year filibuster. The House version of the same Bill, H. R. 7575 (Brooks-Rosenthal-Horton) was introduced on June 4. H. R. 7575 is substantially identical

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to the Senate version in that it only provides for representation of consumer interests in the areas of safety, pricing and health, but it would give the new Agency, rather than existing agencies, authority to conduct interrogatories and direct consumer information programs. Hearings were completed by the House Government Operations Committee on June 19 and no date for mark-up has been set. President Ford has indicated that he will veto the Bill if it is passed by Congress.

State Legislation

The 1975-1976 legislative sessions in the states have been extremely busy. Although the vast majority of adverse solid waste legislation has been defeated, there has been an increase on the state level of bills which would impose packaging taxes and ban plastic bottles.

Massachusetts

In Massachusetts, over a dozen restrictive packaging bills and four bills which would regulate the flammability characteristics of plastics, especially polyurethane, have been introduced. Of the bills that have come up for hearing, Massachusetts counsel reports that one "clear tray bill" and all the flammability bills have been reported adversely by the various Committees reviewing them and, thus, may be considered dead for this session. An attempt was made to save the remaining "clear tray bills" by including them in a special investigative committee mentioned below, but the Rules Committee recommended that the proposal not pass so those bills, in effect, have been laid to rest.

Solid waste legislation in Massachusetts has taken an interesting turn. A bill, H. 5876, has been introduced and promptly and favorably voted on by the House which would form a Special Committee to investigate the non-returnable container situation. Two bills which would have prohibited the use of non-returnable glass, plastic and metal containers for carbonated beverages and beer were attached to this Special Committee Bill on April 7, 1975 and 22 similar container bills on which hearings before the State's House

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Committee on Natural Resources and Agriculture were completed in March have been similarly referred. The Special Committee bill was sent to the Senate for its concurrence on May 13.

Membership on the Special Committee has been enlarged and it is believed that non-hostile legislators will be appointed so that an objective decision can be made. The transfer of all non-returnable legislation from the standing committees of the Massachusetts Legislature to the Special Committee will, it is expected, prevent the enactment of any such legislation this session. When the Special Committee's work is done, however, any bills reported will be ready to go in that or any future session.

A "ban-the-tab" bill which was not referred for investigation to the Special Committee was reported by the National Resources and Agriculture Committee and ordered to a third meeting on the House Floor on April 17, 1975. Further action is expected but associate counsel in Massachusetts informs us that the chances for defeat on the House Floor are good.

Minnesota

In Minnesota, the legislative session ended quietly on May 19, 1975 without the passage of new container legislation. A modified Oregon-type bill, a Vermont-type mandatory deposit bill with a pull-tab ban, a container tax bill which would impose a 1/4 cent tax on all non-returnable beverage containers, and a bill seeking to ban the sale of any unregulated fluorocarbons all remained in Committee. In addition, a bill which would have banned all aluminum cans was tabled and another which would have banned beverage containers other than 15-trip returnable glass and all steel cans was laid over. Despite this success, however, it must be remembered that in Minnesota bills not passed this session carry over to the next one scheduled for January of 1976.

On the judicial rather than legislative front, SPI, five other trade associations and a number of individual companies--including three Minnesota plastic packaging companies--have joined in a Declaratory Judgment action

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designed to challenge the Minnesota Pollution Control Agency's (MPCA) "Packaging Regulations." The suit, entitled Can Manufacturers Institute, Inc. et al. v. State of Minnesota et al., was filed on May 29 and a hearing was held on the Plaintiffs' Motion for a Temporary Injunction before Judge Harold W. Schultz on June 12. The Motion was finally submitted to the Judge on June 24 after the State of Minnesota filed its last Memorandum in Opposition to the supporting Memoranda of the Can Manufacturers Institute, Inc. et al. A decision on the Temporary Injunction is expected shortly.

A possible trial date for a full hearing on the merits of this case is expected to be scheduled for sometime this fall. In light of the State of Minnesota's Answer to the Complaint which initiated this litigation, however, it is possible that trial will be delayed due to additional motions by the defense. The Answer raised as affirmative defenses issues concerning jurisdiction, standing, justiciability and exhaustion of remedies which normally are contested in pre-trial motions seeking to dismiss a Complaint.

Tangentially related to the general Minnesota situation, the head of the MPCA, Grant Merrit, recently resigned his position and Peter Gove, the Governor's Assistant for Environmental Affairs, was appointed to replace him. Gove is expected to be a sensible and objective administrator who is, for instance, against "ban-the-non-returnable" type legislation because of the already high unemployment in Minnesota's labor market.

Vermont

The legislative session in the State of Vermont ended on April 25, but not before it took a last minute adverse turn. A bill, passed by the House, which prohibited non-returnable glass containers and banned pull tabs on metal cans and the plastic rings that hold them together had been sent to the Senate Finance Committee where it was recommended for study over the summer. The bill, however, was recalled to the Senate Floor two days before the Vermont legislative session ended and passed. This was the only anti-packaging legislation to get through the State of Vermont this session.

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New York

As New York's legislative session draws to a close (this session is expected to end on July 3), Committee and Floor action on solid waste and packaging bills is suddenly increasing.

An Oregon-type bill, S. 139-B, which had been stalled in the Standing Committee on Consumer Affairs was reported to the Committee on Rules at the request of the Senate Majority leader and an effort to bring the bill to the House floor is expected. SPI has submitted a memo to the Rules Committee members objecting to S. 139-B. A companion bill in the House, A. 6884--which has not been reported out of the House Commerce Committee--was previously the subject of an SPI statement opposing this type of legislation in April.

A "Clear Tray Bill," A. 8326/S. 6310, which would require that 70% of the bottom side of the contents of any meat or fresh food package be visible has been voted to the House Floor. The bill was reported from Committee and, as of June 27, was still in its third reading on the House Floor. This Bill probably will not be voted from the House Floor to the Senate before the session closes.

Two other bills of importance in New York are a "Comprehensive Resource Recovery Bill," A. 5440, similar to that in the State of Connecticut and a "Package Review Bill," A. 7219, like the one in Minnesota. These legislative proposals are before the House Committees on Finance and on the Environment, respectively, and have not been the subject of Committee action.

In related activity, the New York City Council again has been considering an ordinance to tax packages and containers. This one would have imposed a 1 cent tax on paper, a 2 cent tax on glass and metal and a 3 cent tax on plastics. Some good hard lobbying by SPI representatives kept the package tax out of the City's crisis budget proposal on June 20. However, should the State of New York refuse to give New York City the money it needs to meet its financial obligations, the package tax concept may again be resurrected.

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Oregon

The Oregon legislative session adjourned on June 14, 1975 without the passage of anti-packaging or anti-plastic legislation, but it required a major effort on the part of SPI to keep it that way.

A "Packaging Guidelines Bill" similar to the present Minnesota Packaging Law was introduced at the request of the State's Department on Environmental Quality. After hearings on April 10, 1975, the Environmental Quality Committee reported out a modified bill which would authorize the development of any packaging regulations deemed necessary after a study of the effects of packaging on solid waste generation and the role of packaging regulations in solid waste management. The bill was referred to the Ways and Means Committee and died there with the close of the session.

In addition, a bill which would have banned plastic beverage containers in Oregon was introduced and referred to the House Environment and Energy Committee. On one weekend notice, SPI mustered its forces and testified in opposition to the bill at the Committee Hearings. Despite repeated attempts by the Committee Chairwoman to have the bill voted out, it died in Committee of a 3-3 deadlock with the swing vote abstaining.

There is no legislative carry-over in Oregon so both of these bills must be reintroduced next session. Oregon's Legislature is scheduled to convene again in January, 1977, but a special session can be called by the Governor at any time.

Miscellaneous

In the District of Columbia, the City Council held hearings on two Oregon-type bills on June 4 and 5. One of the bills, a proposal introduced by J. W. Hobson, would place a ten cent deposit on all beverage containers and prohibit the use of plastic bottles designed for one-way use and plastic cups in vending machines. SPI submitted a statement opposing the bills, particularly the Hobson bill. Our

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contacts at the City Council indicate the Council members do not have much evidence on plastics in the solid waste stream so, hopefully, the SPI statement will provide the type of constructive information needed for them to reject a ban on plastic bottles and plastic cups.

The prognosis for the Oregon-type deposit provisions, however, is not good. The City Council has passed such an ordinance before and is expected to do so this time. It will probably be tied to unanimous action by the five surrounding metropolitan jurisdictions. At the present time, none of the five D. C. area cities or counties has enacted Oregon-type ordinances but at least two counties do have such proposals pending. In fact, Montgomery County in Maryland has a proposed ordinance which would tax all beverage containers sold within its jurisdiction.

In California, a Washington State-type "litter levy" was introduced on May 22 in the State Assembly. The bill, A.B. 2353, would impose a 1 1/2% tax on beer, soft drinks, wine, liquor, candy, cigarettes and cups with the proceeds to be used to collect and dispose of solid waste. The bill was referred to Committee with a good deal of local press coverage.

In Michigan, a bill which has nothing to do with solid waste but would have a very definite adverse effect on plastics has been proposed. A bill to prohibit the use of plastic pipe in building construction (S. 976) was introduced recently in the Michigan Senate and referred to Committee. So far as we know, there has been no committee action on the bill and the Plastic Pipe Institute is alert to the situation.

In New Hampshire, an energy bill, H. B. 678, which would have regulated the construction and operation of petrochemical plants, including petrochemical feedstocks processors, died in Committee with the close of the legislative session. In hearings on May 20 before the Senate Committee on Recreation and Development, SPI urged that the State reject the bill because of its restriction on plastics manufacturing and the burden it would place on plastic related industries wanting to come into the state.

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In South Carolina, a "ban-the-non-returnable" bill, H. B. 2501, which went to the House Floor and was continued, remains buried behind other legislation despite several efforts to recall it for another vote. The South Carolina Legislature was expected to adjourn about June 20 with no further action on the bill, but it will carry over to the next scheduled General Assembly session in January of 1976.

In other states of interest, Oregon-type bills have been defeated either in Committee or on the Legislatures' Floors in Arizona, Connecticut, Illinois and Maine (by one vote).

SPI-22310

MIDWEST SECTION

Jack E. Glatt, Chairman
Robert W. Sherman, Staff

The 6th Annual Midwest Conference is now history. While attendance was down about 20%, those attending report the program the best ever. Missing in attendance were suppliers, processor attendance was actually up from previous years.

The EPS Conference at the Abbey increased in attendance and over 250 participated, which is absolutely remarkable for a relatively small industry. The Design Competition held in conjunction with the Conference had 24 entries.

In our education efforts we now have a thermoset supervisors training course to companion the injection molding program.

Chapters continue strong with three meetings a year in Chicago, Twin-Cities and Cincinnati. In December a special program was held in Detroit to stir up interest. While considerable interest does exist, it's a matter of timing. The automotive industry doldrums have this group really down and not likely to become immediately active in a group.

As the Midwest states experience revenue problems they are turning to enforcement of several business taxes, SPI bulletins and interpretations have been generated.

The industrial relations committee completed and published a 48 page "Labor Relations Manual".

All Midwest non-respondents have been personally contacted by staff and results are part of the membership report.

The EPS Block Molders funded program exceeded expectations and a complete series of fire tests have been run and reports issued.

NEW ENGLAND SECTION F. Reed Estabrook, Jr., SPI Board Representative
Gage Olcott, Section President
Bert S. Montell, Staff

The Annual Spring Meeting of the New England Section was held in West Springfield, Massachusetts on March 24 of this year. 85 company representatives heard talks on "Economic Outlook and Trends in 1975," and "The National Fiscal Outlook and How It Affects New England."

A representative from A. T. Kearney, Inc., Management Consultants, spoke on "Tapping Your Plant's Hidden Capacity." Reed Estabrook also reported on the work of the Massachusetts Governor's Task Force dealing with the problems of the plastics industry.

A policy was also announced at this meeting in regard to attendance of non members. A non member may attend one future conference only. His company must join thereafter for it to send representatives to these yearly conferences.

The 31st Annual New England Conference will be held at Dunfey's Resort and Conference Center, Hyannis, Massachusetts September 16-19, 1975. The 1976 Conference will be held once again at Wentworth By-The-Sea, Portsmouth, New Hampshire. The theme of the 31st Annual Conference will be "How Can A Plastics Processor Operate Profitably in 1976." The Program Chairman for this Conference will be Larry Bauer of Reed Prentice Division, Package Machinery Co., who also serves as Section Vice President.

Bert S. Montell
June 26, 1975

SPI-22312

WESTERN SECTION

Robert K. Halliday, Chairman
Lloyd N. Darden, Staff

Several completely new functions have been developed: The Fire Watch, aimed at post-fire analysis of plastic fires; a college scholarship program with public relations aspects; and a personnel committee to develop a better understanding of employment regulations. See below.

Combustibility Committee

Frank Roselli, Chairman

Actually a subcommittee of the national CCCS, this group has two projects: Fire Watch and the combustibility seminar at SPE PacTec, September 17.

Scholarship Committee

Robert Berwick, Chairman

This committee is developing a scholarship program suggested by the 1976 Western Section Conference, aimed at inspiring students to write essays relating to the importance of plastics in the century 1976-2076.

Speakers' Bureau Committee

Warren T. Buschmann, Chairman

This committee is generated to develop fixed, prepared topics to take to outside audiences as a public relations thrust. Their first endeavor will probably revolve around Dow presentation generating audio-visual support material and text.

Personnel Committee

Steve Grozik, Chairman

First meeting to be held in August.

Trade Apprenticeship Committee

Richard Sperr, Chairman

This committee is currently inactive. See Moldmakers Division.

Western Section Conference

W. H. Bohler, Jr., Chairman

The 1975 conference, held April 23-25, at Hyatt Regency Hotel in San Francisco, was successful except for showing some financial loss. The 1976 conference dates are June 1-5, Hotel del Coronado. Chairman conferred with hotel personnel in May to make preliminary plans and executive board planning meetings scheduled for April 30-May 2.

Southern California Chapter

Dean Hoss, President

Returned by popular demand, June meeting was SPI Day-at-the-Races, with excellent turnout. September 26 is next meeting. A tentative whole-year schedule of events presented at May 27th board meeting by Vice President-elect Rick Beitel. Final calendar to be published in near future and distributed to media.

Northern California Chapter

Paul Rossi, President

Paul Rossi re-elected president. Last meeting in San Francisco June 6th. September meeting date not selected.

Pacific Northwest Chapter

Ripley W. Gage, President

Rip Gage re-elected. Annual Business Meeting held May 30-June 1, Port Ludlow, Washington. Installation of new officers to take place at August board meeting. September meeting will be group charter flight to Dusseldorf, Germany for "K-'75."

Reinforced Plastics/Composites Institute

David Dubbell, Chairman

April's Steering Committee meeting and May's general meeting featuring Modern Plastics Magazine presentation "Plastics--The Next 25 Years" concluded this group's activities for the summer. Combined with the general meeting was the awards dinner for the George Huisman Memorial Awards Contest winners, whose exhibits will be displayed at the California Museum of Science and Industry throughout most of the summer.

Corrosion-Resistant Structures Subcommittee meeting June 27, chaired by Frank Cassis, to plan conference for April 27-30, at Caesar's Palace, Las Vegas. Seminar will consist of four sessions, featuring: Corrosion, general; RP Process Equipment; RP Pipe; and RP Tanks, as well as a Workshop/Panel Discussion Session.

Plastics for Tooling Group

Charles Owen, Chairman

The March Annual PFT Conference was cancelled due to lack of registration. No longer viable as presently formed, this group is working on developing a new concept, i.e., a travelling one-day education seminar using largely same speakers and standard pre-prepared format. Suggested is a January-February pilot education seminar.

Expandable Polystyrene Materials Group

William Bie, Chairman

This group terminated its activities for the summer with a successful May general meeting on improving financial management. Western participation in national EPS meeting and competition is encouraged. A Western newsletter has been started.

Moldmakers Division

Paul Jones, Chairman

This committee is planning to develop a new concept. Three dinner meetings a year will be held, the first this September, followed by January and May. The group plans to narrow the apprentice program and take it under the Moldmakers Division auspices.

Molders Management Division

Edward Wilgus, Chairman

Successful Ojai '75. Injection Molding Handbook should be delivered from the printer soon. For the first time there will be a Spanish edition. The new committee is rehearsing the general purpose to deal with management topics and is devoting time to discussion of the Northern California Monterey and Ojai meetings and speakers. In January, another Western Labor Cost Survey will be conducted.

Lloyd N. Darden
July 1, 1975

SPI-22315

PLASTICS PIPE INSTITUTE

Barton W. Hodges, Chairman
Ray Durazo, Staff

1975 has been designated as the plastics piping industry's official 25th Anniversary. PPI is commemorating this milestone with a year-long public relations effort.

PPI held a special Quarter-Centennial Annual Meeting, April 21 - 24 at the Town and Country Hotel in San Diego, California. Barton W. Hodges of Charlotte Pipe & Foundry Company in Monroe, North Carolina was elected PPI President succeeding Dr. J. F. Cogdell of DuPont who announced his resignation at the meeting. Dr. Cogdell has accepted a new assignment at DuPont and will no longer be involved with DuPont's Pipe Division.

Highlight of the meeting was an address by Congressman Paul McCloskey (R-Calif.) in which he outlined the problems of the national defense, the budget and the economy. The meeting was one of the most well-attended in recent years with registration exceeding 300.

An Ad Hoc Task Group has been formed under the umbrella of PPI's Plumbing Products Committee whose purpose is to prepare a detailed testing program for the further fire testing of plastics DWV and conduit at the University of California at Berkeley. The task group has held numerous meetings during the last few months and testing is scheduled to begin in the near future.

The Board of Directors of the American Water Works Association (AWWA) has approved the publication of a new standard on Polyvinyl Chloride (PVC) plastic pipe. Publication of this standard, scheduled for early fall, will culminate an effort which began in 1968 to produce a standard on plastic pipe for water industry use. PPI has been an active participant in the AWWA standard-writing project since its inception. The new standard is perhaps the most stringent standard ever written for plastic pipe. PPI had initially recommended a safety factor of 2-to-1 but the new standard goes even further and calls for a safety factor which in some cases approaches 4-to-1.

The PPI Market Division will hold its annual session of summer meetings July 21 - 23 at the Alameda Plaza in Kansas City, Missouri.

Kathleen M. Gormley
June 23, 1975

SPI-22316

THERMOPLASTIC EXTERIOR BUILDING PRODUCTS DIVISION

Kenneth R. Valleskey, Chairman
Juliette Lang Cahn, Staff

The last Division meeting was held at Chicago, June 11, 1975.

The latest revision of NBS Product Standard PS-55-72 for vinyl siding was accepted and is to be submitted to ASTM relative to its promulgation pending approval by legal counsel. The weatherability program is continuing and will be concluded in the near future.

A combustibility statement was drafted by the Technical Committee and presented for comment. Two statements are being considered: One, a very general version for the consumer and distributor and the other, a more technical statement for architects, code groups, fire officials and H.U.D.

Correspondence with F.H.A. is being held to update the F.H.A. Material Release for Vinyl Siding.

Various technical bulletins or pamphlets were discussed; and work started to develop same.

The marketing interests have worked with "The Professional Builders" magazine, which will be publicizing "The Professional Builder, Volume II" on exterior plastics building products which will point out various plastic products available to builders.

The Division will be holding a joint meeting with the Profile Extruders Division in September, 1975.

Kenneth R. Valleskey
June 30, 1975

SPI-22317

FOAM CUP AND CONTAINER DIVISION

Robert Stillinger, Chairman
John Malloy, Staff

The most significant recent action of the Foam Cup and Container Division was to divert fully one half of the 1975-76 Public Relations budget into the area of Public Affairs (Environmental concerns) rather than promotion of increased product use. Plans are currently under development.

Three meetings were held in the past year, with primary activity being in the area of Public Relations and Promotion. Other portions of the programs included development of cup performance standards, the on-going statistical program, machine safety standards, and a public affairs awareness program.

The technical program to develop performance standards has been held in abeyance for re-evaluation of success potential. A new technical program has begun, to develop machine safety standards in cooperation with the SPI Machinery Division.

John Malloy
July 3, 1975

SPI-22318

FOAM TRAY AND CARTON DIVISION

John A. Larkin, Chairman
John R. Lawrence, Staff

The principal concern of this Division continues to be legislation that would ban the sale of prepackaged meat, poultry or produce in trays which do not allow visibility of the underside of the packaged product. The Division has retained special counsel to provide legislative surveillance in four states. So far this year no such legislation has passed in any state.

In the fall, the Division will be taking part in a Factory Mutual warehouse test involving the control of a fire in which polystyrene foam trays are ignited under typical storage conditions.

PLASTIC BOTTLE INSTITUTE

Donald Pollock, Chairman
John Malloy, Staff

The Institute promotion program continued to receive the major budget emphasis in the past year, and will also in the forthcoming fiscal period. However, there will be a measured shift in direction, toward educating consumers and trade on the true environmental impact of plastic bottles, while maintaining primary emphasis on promoting the benefit of this packaging for a variety of product applications. Methodology is through continued use of the spokesperson, public service messages, educational kits, published articles, and others.

Technical Committee work is continuing on revisions to existing test methods bulletins, and the development of new ones. A new consideration is the current evaluation of the present legal atmosphere as related to our promulgation of test methods and standards, the results of which may require further modifications to the Institute's technical publications.

The Statistical Committee met with representatives of the Bureau of the Census, to begin development of a revised and more detailed format for reporting plastic bottle sales. This will become effective in 1977.

Market Development work is in the area of food packaging, with continued concern for creation of value stories in various markets, and monitoring government and other actions affecting the market for plastic bottles.

The Carbonated Beverage Bottle Committee is presently in the process of round-robin testing of proposed test methods, aiming for first phase completion by September. The traffic group and the Waste Management Committee continue to monitor activities in their respective areas and report on those which impact on the plastic bottle industry.

John Malloy
June 30, 1975

SPI-22320

PLASTIC DRUM INSTITUTE Daniel W. Barber, Chairman
Bert S. Montell, Staff

The Plastic Drum Institute, until recently called Industrial Container Institute, has operated at an accelerated pace during the last six months.

Meetings were held in Des Plaines, Illinois on February 5, and in Washington, D.C. on May 22. The membership is particularly concerned with the development of valid and realistic specifications on the all-plastic 55 gallon drum which gives every evidence of a tremendous growth potential over the next several years.

Under the chairmanship of Dan Barber of Container Corporation of America, liaison has been established with Petroleum Packaging Committee of the American Petroleum Institute; Department of Transportation, Office of Hazardous Materials; General Services Administration; National Motor Freight Committee; Uniform Freight Classification Committee; Bureau of Explosives, and Manufacturing Chemists Association.

At the May 22 meeting, Mr. William Burns, Director of the Office of Hazardous Materials, together with two of his colleagues, as well as representatives of the National Bureau of Standards, specifically discussed the Federal Transportation Safety Act of 1974. Mr. Burns stated that his office is presently determining the criteria required for specifications to be developed under the Act. Meanwhile, the National Bureau of Standards is undertaking a testing program on industrial containers, particularly the all-plastic 55 gallon drum.

Four companies have joined the Division during the past six months with an additional three companies expected to join by Fall.

The Semi-Annual Meeting of the Institute is being held at Marriott's Lincolnshire Hotel, Lincolnshire, Illinois on September 10.

Bert S. Montell
June 26, 1975

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PLASTIC JERRY CAN COMMITTEE

Douglas Smith, Chairman
John Malloy, Staff

A performance standard has been developed and is being published by the U.S. National Bureau of Standards. Additional planned activity is in the area of establishing test methods necessary to satisfactorily indicate compliance with the standard.

John Malloy
July 3, 1975

SPI-22322

RIGID PLASTIC CONTAINER DIVISION

Robert Kittredge, Chairman
John Malloy, Staff

The Rigid Container Division continued to work on a market research project and the development of a public relations program. In addition, the Thermoformers Technical Committee began work on a machine safety standard in cooperation with the SPI Machinery Division.

Meeting activity included presentations on the SPI-sponsored fire testing of stored packaging, which was of strong interest to members. Future meetings are planned to include presentations by resin suppliers on the short and long-range outlook for materials and by package design experts on potential new rigid container products.

John Malloy
June 30, 1975

SPI-22323

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BUTTON GROUP John L. Rie, Jr., Chairman
 Bert S. Montell, Staff

There has been no activity within this Group since the last Board report.

Bert S. Montell
June 26, 1975

SPI-22324

CUSTOM SHEET EXTRUDERS DIVISION

M. L. Christensen, Chairman
Bert S. Montell, Staff

The Custom Sheet Extruders Division held a meeting in St. Louis, Missouri on February 4, 1975 and its annual meeting in Scottsdale, Arizona on April 10 and 11 of this year.

During these business sessions, there were presentations by specialists on the energy problem; materials availability; plant inventory control; the OSHA VCM standard and FTC matters.

At the annual meeting, there was a panel discussion on "Markets and Outlook For Various Types of Plastic Sheeting," participated in by representatives from Marbon Chemical and Phillips Petroleum Co. There was also talks on "General Extrusion and Take-Off Equipment" and "Die Design and Co-Extrusion."

The Division members continue to participate in a quarterly statistical survey on production of the various types of plastic sheet.

Under the new Chairman, Les Christensen of Atlas Plastics Corporation, a number of Ad Hoc Committees and Standing Committees have been formed which will be responsible for matters of pertinent interest to a custom sheet extruder.

The Semi-Annual Meeting of the Division will be held at Marriott's Lincolnshire Hotel, Lincolnshire, Illinois on September 9 of this year.

Bert S. Montell
June 26, 1975

SPI-22325

FURNITURE DIVISION

Robert R. Cook, Chairman
Juliette Lang Cahn, Staff

The Poly Awards Breakfast was held on June 16 at the American Mart in Chicago. An enthusiastic group of about 100 furniture manufacturers, dealers, component producers and raw material suppliers were present as the winners were announced and slides of the award-winning entries shown. Press kits provided data to a large number of media representatives at the market.

The Membership Committee has been successful in securing two new SPI members and three more are considered good prospects. This activity is continuing.

In accordance with the decision made at the last meeting of the Furniture Division on June 16, the revised Specifications for Polystyrene for Furniture Applications have been submitted to ASTM.

Since the last Board report in January, a Styrene Producers Ad Hoc Committee, functioning under the aegis of the Furniture Division and chaired by Dr. Kenneth Burgess of Dow, was organized for the purpose of developing data which might be used in connection with the Brady Williamson petition and other problems of this nature. Although this particular committee is made up of styrene producers, suppliers of other materials have been requested and encouraged to participate in similar programs. Southwest Research Institute has conducted full-scale burns and is in the process of completing the report. The cost of this project was underwritten by the seven styrene members of the Ad Hoc Committee.

Robert R. Cook
July 2, 1975

SPI-22326

HOUSEWARES MANUFACTURERS GROUP

John D. Braught, Chairman
Juliette Lang Cahn, Staff

A meeting was held 29 May, 1975 with Lustro-Ware Division Borden Chemicals, Inc.; Loma Corp.; Rubbermaid Commercial Products, Inc.; USI, Chemical Co.; and USS Chemicals in attendance.

Problems relating to plastic trash container regulations, as well as localized efforts to ban plastic trash containers were discussed. Efforts will be made to effectively represent our group in these instances. N.F.P.A. proposed standard 303A and 56J-1975 were also discussed.

It is felt with the problems currently facing our industry it is necessary that we form an active group to address these situations. Therefore, we are holding a meeting on July 15, 1975 at McCormick Place in Chicago for the purpose of consolidating our efforts in this direction.

John D. Braught
June 30, 1975

SPI-22327

MACHINERY DIVISION John C. Reib, Chairman
Bert S. Montell, Staff

The Annual Meeting of the Machinery Division took place at The Homestead, Hot Springs, Virginia on April 30, May 1 and 2, 1975. Attendance at this industry session was excellent with a registration of over 100 company representatives as well as 55 ladies.

The six Sections dealing with various types of plastics processing machinery as well as the Safety and OSHA Committee, Planning Committee and Executive Committee met at this time. The principal work underway is the preparation of proposed Safety standards and their subsequent review by concerned operating units within the Society. When a consensus has been reached, these proposed standards are prepared in the format of the American National Standards Institute for review and/or approval by interested organizations throughout the country.

The members are also giving attention to the problems of metrification. The Planning Committee will publish information in this area periodically to the Division members.

At this Division meeting on May 2, there were panel discussions on "Product Liability Matters" and on "Electrical Code Problems." Company members as well as our SPI Legal Counsel, Jerry Heckman, took part in these worthwhile presentations.

The Semi-Annual Meeting of the Division will be held at Marriott's Lincolnshire Hotel, Lincolnshire, Illinois on November 12-14 of this year.

Bert S. Montell
June 26, 1975

SPI-22328

MELAMINE DINNERWARE GROUP

For report, please see Molders' Management Division Report on page 18.

MOLDERS MANAGEMENT DIVISION

Richard McKibben, Chairman
Robert W. Sherman, Staff

The Molders Division Policy Board held the longest meeting in their history as a result of being snowed in for two days. They drafted positions on energy, taxes and depreciation allowances.

The Division plans a major conference in October in the Twin-Cities as well as Monterey, California and in February, 76 Ojai, California.

An Ad-Hoc Committee completed work on new test methods for cookware handles.

A training aid booklet on injection molding has been completed and for the first time will be available in both English and Spanish.

Chapter meetings continue to be successful in New England, the Midwest and West Coast. The Division is anxious to assist Richard Frock in developing an East Coast program.

The Division is beginning to work on ways to better communicate its activities to non-members.

The Melamine Dinnerware Committee has raised \$9,000.00 for an investigation into public relations and will request a Board resolution at this meeting to become a funded group.

Robert W. Sherman
July 3, 1975

SPI-22330

MOLDMAKERS DIVISION

Josef Klingler, Chairman
Robert W. Sherman, Staff

With the success of the first Moldmakers Conference, the second is now set for October 2nd and 3rd in New Orleans. All speakers have been committed and indications are the second will be larger than the first.

The Division hired from conference income an agency to map out a career guidance program. This has been received but because of cost will be implemented by staff rather than an outside service.

The Directory of Member Services of the Division has been so well received it had to be reprinted after distribution of 2,500. A new up-date is now being prepared along with a membership drive for greater listings.

In New England a chapter has been formed and the first meeting brought in 4 new members. This group will meet a second time September 9th.

PLASTICS FOR TOOLING SPECIAL PURPOSE GROUP

Thomas Jackson, Chairman
Charles L. Condit, Staff

The principal activity of the Plastics for Tooling Group is one of sponsoring and detailing the Annual National Plastics for Tooling Seminar at Purdue University.

The Sixteenth Seminar took place on June 10, 11 and 12; and in spite of the expected falling off in attendance due to the economic down-trend in the automotive industry, surprisingly, there were well over 125 individuals present. The program, comprised of concurrent sessions, as well as the usual workshop, was extremely well received.

The Seventeenth Seminar will again take place on the Purdue Campus on June 8, 9 and 10, 1976.

Robert W. Sherman, Manager of SPI's Midwest Office, will assume the administration of this Group following the retirement of Charlie Condit.

Charles L. Condit
July, 7, 1975

PROFILE EXTRUDERS DIVISION

William F. Miller, Jr., Chairman
Juliette Lang Cahn, Staff

This report is principally devoted to what our Division is going to do rather than what it has done since my term of office began on June 1, 1975.

The key to the continued success of our Division is to serve our members through providing meeting programs that are interesting and informative. Our next meeting will take place in the Chicago area on September 25 and 26. Ken Valleskey and I have decided to continue the highly successful policy of holding combined meetings since many of the Exterior Building Product Division members are also Custom Profile Extruders. At this Chicago meeting we hope to present a program related to OSHA and EPA and the effect these two relatively new agencies have had on our industry.

Also, a tooling cost survey that has been under way is proceeding. The replies are in and being tabulated now.

William F. Miller, Jr.
June 30, 1975

SPI-22333

RP/C INSTITUTE

James J. Coleman, Chairman
Joseph S. McDermott, Staff

The financial report from the Institute's 30th Anniversary Conference, supplemented by after-sale of the Proceedings Book, reflects a continuing healthy annual meeting. The Program Committee for next February's Conference has met twice and organized twenty-three technical sessions in a four-day program. A featured luncheon speaker, Elliot Estes, President of General Motors, has promised to deliver a major challenge from the automotive to the plastics industry.

Seven major technical Committees are active within the Institute:

- Corrosion-Resistant Structures
- High-Performance Composites
- Panel Council
- Photochemical Emissions
- Plumbing Fixtures
- Resins
- Thermoset Press Molding

All are active in writing standards, conducting field testing, and maintaining on their own initiative sound relationships with testing bodies and regulators.

The Institute's liaison with the SPI Coordinating Committee on Consumer Safety, and the Safety and Loss Prevention Committee is strong.

The Institute has contributed material and editing time to the "Positive publicity" program of the PAC.

The Western Section of the Institute recently arranged its most successful education program, with the student competition results on display through the summer at the California Museum of Industry.

Joseph S. McDermott
June 26, 1975

SPI-22334

CELLULAR PLASTICS DIVISION Walter E. Becker, Jr., Chairman
Bert S. Montell, Staff

The 1975 Annual Meeting of the Cellular Plastics Division took place at the Fairmont Hotel, San Francisco, California on April 2, 3 and 4, 1975. During this time, the Structural Foam Group held its Third Annual Conference and Exhibit. 370 registrants attended this three day industry session. This was one of the best attended meetings sponsored by the Division. In addition 140 ladies were in attendance.

At the industry luncheon on April 3, Lowell Anderson, Manager of Supply and Distribution, Amoco Chemicals Corp., discussed "Petroleum Feedstocks For The Plastics Industry."

Comprehensive fire testing programs continue on urethane and expandable polystyrene foam materials at Factory Mutual and Underwriters' Laboratories. These combustibility programs are sponsored by company members of the Division and the SPI Urethane Safety Group.

The Division will sponsor its 18th Technical Conference on "Cellular Plastics in Transportation" at the Hotel Pontchartrain, Detroit, Michigan on October 6, 7 and 8. During this time, there will be talks by automotive and industry representatives on cellular plastics in automobiles, trucks, aircraft, trains and subways.

Bert S. Montell
June 26, 1975

SPI-22335

FLUOROCARBONS DIVISION Saul Ricklin, Chairman
 Bert S. Montell, Staff

Fluorocarbon processors and material suppliers of the Fluorocarbons Division convened at their Annual Meeting in Key Biscayne, Florida on March 12, 13 and 14 of this year.

At three morning business sessions, specialists discussed "Fluorocarbons In Chemical Applications;" "Expanding The Markets For Fluorocarbons In Lined Pipe Applications;" "Fluorocarbon Applications In Europe;" "Fluorocarbons In The Atmosphere;" "Requirements of The Environmental Protection Agency;" "Anti-Trust Regulations and Requirements" and "Services and Programs of U.S. Department of Commerce Overseas." Consideration was also given to undertaking a Processors Survey as well as a second Labor Survey sponsored by the Division. Technical activities include work on TFE glass cloth; unsintered tape; dispersion coatings; TFE lip seals, and Fluorocarbon lined pipe.

At the Annual Meeting, Saul Ricklin of Dixon Industries Corp. was elected Division Chairman with Bill Huber of Modern Industrial Plastics being elected Division Vice Chairman. These gentlemen are serving a two year term effective June 1.

The Semi-Annual Division meeting is being held at the Marriott's Lincolnshire Hotel, Lincolnshire, Illinois on November 5-7, when industry and government specialists will discuss matters of direct interest to fluorocarbon processors.

Bert S. Montell
June 26, 1975

SPI-22336

ORGANIC PEROXIDE PRODUCERS SAFETY DIVISION

G. A. Schultz, Chairman
J. P. Carroll, Staff

The Division held its last meeting in Washington, D. C. during the Annual Reinforced Plastics/Composites Institute Conference in February.

The Division has published three safety publications which are available from SPI upon request. They are: Hazard Classification System, Toxicity of Organic Peroxide and Fire Protection Bulletin #19 on the Storage and Handling of Peroxide in the Fabricating Plant. In addition, a safety poster on the Safe Handling of MEK Peroxide has been made available to all those who request it free of charge from the Division.

The Resources and Standards Committee is continuing to develop representative test methods in refining its hazards classifications data. This activity is necessary for the OPPSD's continued liaison with such organizations as the National Fire Protection Association (NFPA), U. S. Department of Transportation (DOT) and the United Nations (UN) Committee of experts on the handling and transportation of Organic Peroxides. These efforts are on a continuing basis as the Division feels it must assist all private and public agencies to better understand the hazards related to organic peroxides.

The next meeting of the Division will be held in the latter part of August or early September 1975.

J. P. Carroll
7/3/75

SPI-22337

DEARBORN AND ROBIN FOR HILTOPS DIV.

W. H. Wiard, Chairman
Charles L. Condit, Staff

The 7th Meeting of the TRF Division was held in Dearborn, Mich on May 29, 1975 with an attendance of 35 persons representing formulators, base material producers, suppliers and SPI. The excellent attendance stimulated fine participation and action on the various points considered.

Business handled included well prepared reports on interim action within the various committees which included:

MARKETING COMMITTEE by Lloyd Dixon, Chairman (Hysol Divn. of Dexter Products)

- (1) Expansion of the number of Committee Members
- (2) Reactivation of the Statistical Reporting Program
- (3) Results of Marketing Questionnaire recommended at last meeting.
- (4) Announcement of additional Marketing Surveys to be taken with Committee and TRF members.

TEST METHODS COMMITTEE by James Hornberg, Chairman

The TM Sub-Committee had met in Dearborn the two days preceding the TRF meeting, on May 28-29, 1975. Most of one day was spent in a study, discussion and formulation of recommendations to TRF for up-dating the important Hazardous Labeling procedures. The Committee identified 16 Governmental agencies and other Regulatory groups which can affect the movement of plastic materials via Common Carriers and especially Air Carriers. The Committee members presented an effective report to TRF on the current status of these regulations following which the TRF agreed to participate, cooperate and consider further SPI participation and counsel at the next meeting.

This sub-committee also considered and reported on its important work in the area of New and Revised Test Methods.

TECHNICAL COMMITTEE, by Ralph Brown, Shell Chemical Company and Jim Hornberg, Hysol Division, Dexter Prod.

Following his recommendation at a previous meeting and the action taken by the Committee since that meeting, it was agreed by the Chairmen of both committees that, since much of the work of the Test Methods Committee and the Technical Committee overlaps and is inter-related that these two committees be merged and known as the Technical/ Test Methods Committee in the future, following Brown's recommendation that Hornberg serve as Chairman of the combined committee. Hornberg agreed and Chairman Wiard accepted a motion which was duly seconded and passed unanimously effecting this merger.

MEMBERSHIP COMMITTEE by Robert J. Hedberg, Allied Chemicals,
Co-Chairman

The Co-Chairman of the Membership Committee, Bob Hedberg and Tom Lawler of CIRA-CHIGY have continued making personal contacts with prospective members in the past. With the increased activity in the Hazardous Labeling situation and the Statistical Reporting etc. it may be timely to continue the work of this Committee aggressively.

NATIONAL PLASTICS FOR TOOLING COMMITTEE Tom Jackson, Ford Motor Co.
Chairman.

This committee held its final meeting at Dearborn the following day, May 31 and handled details for the program of the 16th Annual Plastics for Tooling Conference scheduled at Purdue University on June 10-11-12, 1975.

Note: The Conference was held as planned with 128 in attendance in spite of the difficult current economic situation which tended to reduce attendance. Following the Conference, the group elected to hold the 17th Annual Plastics for Tooling Conference at Purdue during the same week of June 1976. The Annual "Man-of-the-Year-Award" was presented at the Purdue Conference.

OTHER MATTERS

Charles Condit Retirement. A special committee headed by Harold C. Jenseth, Acme Chemicals and Don Wells, Magnolia Plastics cited Charles Condit, on behalf of the entire membership of the TRF, with a suitable honorarium for the outstanding contribution he had made to this committee over the years. Serving as Secretary and constant Consultant and Counsel to the Chairmen and to all who sought his services and cooperation, Condit has been appreciated.

A Special Committee, headed by John H. O'Connor of Ren Plastics reported on the exploration of the interest of the group in sponsoring additional conferences, workshops etc. in other areas of interest to the group. Contacts with the University of Wisconsin revealed that they would be willing to work with the group at any time. The facilities at the U. of W. would be attractive and adequate. The group discussed this but felt that it should be held in abeyance due to the current economical conditions.

E. H. Wiard, Chairman
July 3, 1975

URETHANE SAFETY GROUP

Russell A. Kurtz, Chairman
Arthur B. Chivvis, Staff

The principal focus of the Urethane Safety Group has been to alert key groups concerned with building construction that urethane foam is combustible and to inform them of the safe and proper ways of storage handling and installation. To accomplish this, the following actions of major significance have been employed over the past 12 months:

- The Executive Director has delivered more than 20 addresses across the country to a variety of both specialized and heterogeneous audiences.
- Of considerable recent help in the above activity has been the availability and use of a fully developed 98 slide and professionally recorded taped script presentation highlighting the attributes of urethane, describing technical research on its combustibility and attendant toxicity characteristics and emphasizing safeguards to be followed in its handling, storage and application. Enthusiastic reception of this presentation has required the production of 25 additional complete sets to meet the demand for it nationally on a loan basis.
- In addition to the FTC required notifications to tens of thousands of persons of the combustibility of cellular plastics used in construction through the well-known Appendix B, tens of thousands have received copies of the Urethane Safety Group's "Fire Safety Guidelines for Use of Rigid Urethane Foam Insulation in Building Construction" and the USG compiled summary of available results from the continuing USG corner wall testing program being carried out at Factory Mutual Research Corporation. One important consequence of this attention to the combustibility problem, particularly the dissemination of knowledge gained from the corner wall tests, has been the development and adaption into model codes for the first time of new sections on foam plastics insulation.
- The extensively revised "Urethane Plastics - A Status Report" has been distributed to about 350 key publications to serve as background information for future stories about urethanes. In addition, at every possible opportunity, a copy of this layman-style report is provided for the perusal of any individual who can conceivably be felt to qualify as a "community thought leader."
- An activity as important as information development and dissemination on a programmed basis has been the continuing need for clear definition of and effective response to current and unforeseen problems as they arise, i.e., bans on use of urethanes in construction in particular communities, bans on urethane mattresses in public institutions, proposed bans on urethane seating in public transportation, alleged dire health safety hazards from combustion products of fire retarded foams, petitions to the Consumer Product Safety Commission to regulate against structural foam furniture components, etc., etc.

URETHANE SAFETY GROUP (continued)

Communications Program for Fiscal 1975-1976

The Urethane Safety Group Communications Program for fiscal 1975-1976 funded up to \$105,000 will continue the important dissemination of information on safe handling, storage and installation; will emphasize the superior value of urethane foam insulation in energy conservation as well as its other attributes of strength, versatility, sound absorbency, water resistance and so forth; will attempt to reach many of those in the construction trades who are most likely to start fires during construction or repairs (plumbers, welders, electricians, metal cutters, etc.) with caution on the combustible nature of any bare, exposed or unprotected urethane foam insulation; will develop a presentation with greater emphasis on fire safety techniques for use by fire training instructors in colleges, training audiences and fire houses, will produce and disseminate a bulletin and press releases covering the results of Factory Mutual's Urethane Safety Group funded tests of thermal barriers for application over urethane foam insulation; will prepare and disseminate bulletins and press releases concerned with results of USG and III technical research projects on flexible urethane foam; will produce and distribute to the membership an information bulletin (the Executive Director's memo) on USG activities and any developments which affect the urethane market.

Technical Research Program - Progress Report

The study at Southwest Research Institute on the life safety hazards associated with the combustion of flexible urethane foam mattresses and bedding has been completed. A summary report on its findings combined with a summary report on the RAPRA investigations in the same area is in the process of preparation with a near future publishing date anticipated.

The USG corner wall tests started and completed this year have been accepted by the Products Research Committee for credit against the call for 1976 research money. A continuation of the corner wall test program will be funded by the PRC up to about \$39,000.

Four corner wall tests on thermal barrier coatings for use over urethane foam insulation were completed. Two of the tests on magnesium oxychloride coating were considered acceptable, one on an intumescent mastic coating and one on a sodium silicate coating were considered failures.

Information received from the National Bureau of Standards indicates that a final report on the rug underlay research project will not be available in the near future.

URETHANE SAFETY GROUP (continued)

Proposed Nature of 1975-1976 USG Combustibility and Toxicity Research Program

At least two more corner wall tests approved for funding by PRC will be carried out at Factory Mutual. The also approved and PRC funded study of combustion products of the foams run in the corner wall test will be continued at Southwest Research Institute.

The Oil Insurance Industry Program on insulation of storage tanks will be funded by oil industry interests and the Cellular Plastics Division's Combustibility Committee will act as consultants and directors of the program.

Of four flexible foam programs proposed to PRC only one, on the Full-Scale Fire Performance of Upholstered Furniture as proposed by the International Isocyanate Institute, was accepted by PRC. The only involvement of USG will be that certain members belong to both groups.

The involvement of USG in two other programs will depend on their approval by the PRC and the extent of the involvement the Committee will expect of the USG Combustibility Committee.

In summary, a much reduced USG Technical Research activity is anticipated in the year ahead unless the Products Research Committee approves additional projects.

Arthur B. Chivvis
July 3, 1975

VCM and PVC PRODUCERS GROUP

Joseph Fath, Chairman
John R. Lawrence, Staff

The VCM and PVC Producers Group continues its self-funded activities relating to health hazards associated with vinyl chloride. The Group was not successful in its appeal to have the Supreme Court review the lower court's rejection of the industry's petition to remand the OSHA Standard on vinyl chloride.

The Group has prepared a booklet on "What Every Employee Should Know about...Polyvinyl Chloride" to assist in the education of workers in fabricator plants.

The Group's major activities during the last six months have involved various subcommittees reviewing preliminary drafts of the EPA's Standard on vinyl chloride emissions. It is expected that the final version of the EPA Proposed Standard will be published by late summer.

SPI VINYL DISPERSION DIVISION

Frank E. Jones, Chairman
Charles L. Condit, Staff

This Division held its 53rd Meeting on May 22, 1975, at the Colony Hotel, Clayton, Missouri, with approximately fifty members in attendance.

Scheduling of the 4th Seminar for April, 1976, was approved and arrangements will be negotiated for facilities in Callaway Gardens, Pine Mountain, Georgia, for Wednesday and Thursday, April 14 & 15, 1976. These dates are tentative at this time.

Sam Rutland of Rutland Plastics and George H. Mead of the Ethyl Corp. have been appointed co-chairmen of this Seminar which will follow, somewhat, the same format as the last Seminar held at Pheasant Run, Illinois. It is quite obvious, at this time, that part of this program will deal with the subject of VCM from both the OSHA and EPA regulations. We feel that it would be advisable to request, as one of the principal speakers for this Seminar, someone from the SPI Legal Counsel of Keller and Heckman as we can assume that there will still be a great need for clarification on this matter.

SPI/VD/T23

"Procedure to Determine a Plastisol's or Organosol's Apparent Gelation and Fusion (Hot Melt) Viscosity Characteristics Utilizing a Torque-Rheometer with a Programmed (Increasing) Mixer Temperature and Oil Heated Mixer Read" is now at the printers and copies will be available shortly for distribution to members.

VINYL POWDERS AND COATING TEST METHODS COMMITTEE

This committee, which has been formed to establish test standards for the vinyl powder and coating industry, has progressed nicely and it should be ready to set up a series of round-robin testing programs by early summer of this year.

NEXT MEETING

The 54th meeting of the Vinyl Dispersion Group is scheduled for October 23, 1975, to be held in Washington, D.C., at the Washinton Hilton. It has been suggested that William Ruckelshaus, former Director of EPA, and now with Ruckelshaus, Beveridge, Fairbanks and Diamond, might be invited as the luncheon speaker. Details for this will be worked out at a later date.

SPI VINYL DISPERSION DIVISION (cont'd)

CHARLES CONDIT

One could write many pages on the fine work done by Charles Condit over the years in behalf of the Vinyl Dispersion Group. His devotion and excellent guidance has been responsible for the continuing interest and growth of the Vinyl Dispersion Group. We are all going to miss Charles and this was echoed at the last meeting and reception given by Mr. Dan Edwards in Charlie's behalf. We will always be ever so grateful for the dedication Charles has given for all of us.

Frank E. Jones
July 1, 1975

SPI-22345

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VINYL FILM GROUP

Jack Paras, Chairman
Bert S. Montell, Staff

There has been no activity within this Group since the last Board report.

SPI-22346

SERVICE COMMITTEES

COMMITTEE ON RESIN STATISTICS (CRS)

ROBERT UNTERREINER, CHAIRMAN
A. J. EVANS, DIRECTOR

Resin producers currently contributing to the SPI's Resin Statistical Program number 117. One hundred twenty six representatives representing 62 SPI producer companies are actively working to develop meaningful, timely and accurate resin statistics. This does not include representatives from the trade journals and government. Work is also continuing to persuade those few known resin producers who are not submitting data to Ernst and Ernst to participate in the program.

1975 Accomplishments

- a) For the first time, a major market survey will be inaugurated for each of the major resins currently covered in the monthly statistical program. This survey will breakdown 1974 industry sales data into the following market categories:

Packaging
Transportation
Building/Construction
Consumer and Institutional
Electrical/Electronic
Furniture/Furnishings
Industrial/Machinery
Adhesives-Inks-Coatings

- b) A new monthly latex materials survey will be initiated in 1975. The first report will also reflect annual data for 1974. This is the first attempt to provide statistics for this 1½-2 billion pound latex industry.
- c) An annual urethane foam end-use survey covering 1974 will be instituted this year.

Longer Term Goals

- a) Initiate discussion of a viable statistical program at the processor level.
- b) Development of a position paper on the need for a geographical resin survey.
- c) Develop a quarterly engineering resin report in 1976.

SPI-22347

Our current statistical program is now accepted as the official source of resin statistics by the trade press, consultant firms, and government agencies. More and more magazines, newspapers, studies, and reports refer to the SPI data.

The fifth annual meeting was held at Colonial Williamsburg with record attendance and continued high interest. This is particularly significant in view of the current economic environment and the wide support given the program by the industry.

Robert W. Unterreiner
June 25, 1975

SPI-22348

COORDINATING COMMITTEE ON CONSUMER SAFETY

J. A. Blair - Chairman
J. P. Carroll - Staff

The Committee has met once since its last Board Report: April 21, 1975, Washington, D. C. Since that time, the following activities have been carried out:

Research

Combustibility - National Bureau of Standards - 6 Associates

- Mrs. Alma Coats, Hooker Chemical, began a two-year period at the National Bureau of Standards on February 15th. Four of the current associates will be leaving within the next six months. They are: Mr. Howard Adams-Monsanto, Dr. Marts Meisters-Celanese, Mr. John Schuhmann-Dow, Mr. Don Schmulling-Amoco. Those remaining at the Bureau will be Mrs. Coats and Mr. Lowell Perkins-Du Pont. The Committee is attempting to fill the vacancies as they occur in order that a six-person contingent will remain at the Bureau.

Toxicity & Smoke (material evaluation - primary method AMICO Smoke Chamber)

- Southwest Research Institute - Program completed. Final report due momentarily.
- National Science Foundation - Research Applied to National Needs (RANN) - University of Utah: PAC has again agreed to fund this effort. The \$29,000 (75-76) total for three-year period \$107,000.
- Federal Aviation Administration, cooperative SPI-FAA Program, Atlantic City and Oklahoma City - materials which are used in commercial aircraft interiors are screened.

Future Effects - University of Michigan, Animal Toxicity Survival Response

SPI - \$40,000; MCA - \$40,000 - approximately two-year program

Technical Public Affairs:

SPI 4th Annual Combustibility Symposium was held on April 22nd and 23rd at the Park Sheraton Hotel, Washington, D.C. Record attendance: 150 delegates

79th NFPA Annual Conference May 12-16, 1975, Chicago, Illinois
For the first time SPI was able to have a forum for the Conference delegates on Plastics.

Plastics Information Exchange Center - 300 to 500 people attended

COORDINATING COMMITTEE ON CONSUMER SAFETY

Regulatory Liaison - Continue to involve all members of the Committee with a vast number of organizations such as ASTM, ANSI, NFPA and ISO Committees in addition to working closely and cooperatively with various federal agencies.

Systems - \$4,000 program to overview the fire detection and suppression system from a research and demonstration standpoint. There are 20 SPI divisions, sections, institutes and councils represented on the PAC-COCS Committee. This coordinated effort has resulted in a more unified industry group when addressing consumer safety problems.

J. P. Carroll
7/3/75

COMMITTEE ON DISTRIBUTION

Page 33

S. N. Cincotta, Chairman
J. L. Cahn, Staff Director

The previous report of Committee activities was dated January 23, 1975. Since this last report the Executive Board convened in Tampa, Florida on January 15, 1975. This meeting was in preparation of plans for the upcoming Annual Meeting in May of 1975. The agenda of the Executive Board included reports from all Sub-committee Chairman as well as an indept review by the VCM/PVC Study Group.

The 1975 Annual Meeting of the Committee on Distribution was held at the Lodge of the Four Seasons, Lake of the Ozarks, Missouri. The Executive Board met on May 20th. The full Committee meeting was called to order on May 21st and adjourned at the close of the business meeting on May 22nd. It was the consensus of the membership that the Annual Meeting was highly successful. The program included the participation of top executives of all major rail equipment suppliers. Mr. William F. Black, U. S. Federal Railroad Administration also made a major contribution the seminar discussion which included the following items:

1. Head Shields VCM Tank Cars
2. OSHA PVC/VCM Standards
3. VCM Gauges
4. Construction Forecast: Equipment Availability
5. Update on Hopper Car Mileage Allowance
6. OT 5 Update

The Committee was also fortunate to have Dr. Michael Schiff, Director, College of Business and Public Administration, NYU give a presentation on "Accounting for Physical Distribution". His talk was very well received and sparked lively questioning from the floor at the conclusion of his presentation. This portion of the program was a genuine learning experience directed by one of the most respected contributors to the field of Physical Distribution.

The following standing Sub-committees comprise the activity and direction of the Committee on Distribution.

1. Distribution Costing Methods
2. Rail Car Utilization
3. Program - Education

SPI-22351

4. Membership

5. Marine Distribution (Newly formed Sub-committee)

In addition to the standing Sub-committees the following Study Groups continue to provide major input to the Committee:

. Metrication Study Group, PVC/VCM Study Group

We believe that the Committee on Distribution is an active working and responsive part of SPI. This was evidenced by the very successful coordination of industry efforts to define and regiment the uniform application of OSHA PVC and VCM standards in the areas of Transportation and Distribution. This was done with the full cooperation of Government Agencies as well as the full participation of the SPI membership.

The Committee looks forward to continuing the work of the standing sub-committees as well as embarking in a new area of Physical Distribution through the newly established Marine Distribution Sub-committee.

S. N. Cincotta
June 26, 1975

SPI-22352

FINANCIAL MANAGEMENT COMMITTEE

FINANCIAL MANAGEMENT COMMITTEE

G. L. GRAF, JR., CHAIRMAN
A. J. EVANS, STAFF DIRECTOR

The Executive Committee met on February 7, 1975 in Chicago to review activities and programs. An Ad Hoc Committee met on March 13 and April 10, 1975 to appraise the objectives and programs of FMC.

The thirty-sixth edition of the Labor Survey conducted under the Subcommittee Chairmanship of Claude S. Farrell, Jr. was released in February. An effort was made in this survey to provide more detailed data for the Chicago area and specific regions on the west coast.

Salary Survey No. 9 was conducted under the Subcommittee Chairmanship of John Wines. It was released in March. The format of this survey was changed to simplify the presentation of the data and improve its utility.

Preparations are in progress for the 13th Financial and Operating Ratios Survey of the Plastics Processing Companies under the Subcommittee Chairmanship, Byron Eddy. Publication is projected for early fall.

In reviewing the activities of the Program Committee chaired by Peter K. Sherwood, two activities, Midwest Molder's Management Conference and the FMC Annual Meeting, were reviewed.

Participation in the Western Region Conference was cancelled due to concern about the economic climate and ability to logically coordinate a successful FMC meeting with the plans for this conference.

The committee will continue its cooperative efforts in planning a part of the October Midwest Conference in Minneapolis. R. Helgeson will serve as the FMC liaison for this effort.

In reviewing the plans for the annual meeting - conference of the FMC, it developed that a conflict existed with the activities of the Midwest Molder's Group. The FMC meeting was cancelled for June, and is now rescheduled for a mid-Atlantic region site on September 24, 25 and 26.

The foregoing program appraisals served to underline the growing conflict in objectives and activities of the FMC and molder management groups. An Ad Hoc Committee was appointed to study this program. Although Staff personnel see no conflict among the various operating and service groups improvement is needed in the coordination of these various activities at the staff level. As a result of this review, it has been recommended that the title of the FMC be changed to the Financial and Operations Committee. Such a change, it is hoped will give a clearer indication of the role of the committee within SPI and its membership.

SPI-22353

FINANCIAL MANAGEMENT COMMITTEE (continued)

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The role of FMC as a primary initiator of conferences and seminars will be de-emphasized and its role as medium for the generation of financial and operating statistics will be expanded.

Gv L. Graf, Jr.
June 25, 1975

SPI-22354

FOOD, DRUG AND COSMETICS
PACKAGING MATERIALS COMMITTEE

Karl A. Hochschwender, Chairman
Charles L. Condit, Staff

The Committee held its regular meeting in Washington, D.C., on June 19, 1975. At that time the members of the Committee were again brought up-to-date on the latest developments in government regulation of the use of plastic materials for the packaging of foods, drugs and cosmetics. The highlight of the program was a presentation by Mr. Richard J. Ronk of FDA's Division of Food and Color Additives.

In his comments Mr. Ronk provided some insight into the FDA's long-range thinking about the regulation of food packaging. There is a growing awareness in FDA of a need for a comprehensive review of the food packaging regulations to make them more understandable, meaningful and enforceable. Mr. Ronk went so far as to suggest that in some instances food packaging materials may even be subject to over-regulation. He invited the cooperation of industry in general and SPI in particular, should FDA decide to move ahead with a review of these regulations. Such a review might take as long as ten years.

In the more specific area of future regulation of PVC for food packaging Mr. Ronk indicated that FDA had completed a statistical analysis which led them to conclude that an analytical procedure with a sensitivity of approximately 50 ppb would provide a sufficient margin of safety for a regulation that will require all PVC used for food packaging to show no detectable vinyl chloride extraction into food simulating solvents.

Drug Packaging Material Subcommittee

A cooperative study with the Quality Control Section of the Pharmaceutical Manufacturers Association, with the goal of obtaining generic clearance of high density polyethylene for drug packaging, is now under way. The Subcommittee is providing liaison with that section of PMA and is compiling a list of typical additives which may be present in bottle grade polyethylene resins. The success of this study will determine whether similar work should be done with other resins.

-2-

Medical Devices Standards Subcommittee

This Subcommittee's efforts have stimulated the formation and activity of several groups within ASTM concerned with the development of standards for medical devices. Through its Chairman, the Subcommittee is represented on the Steering Committee of ASTM Section D20.24.03 on Medical Plastics. This allows for a constant liaison between the FDCPMC and that ASTM Section.

Subcommittee on Food Additive Regulation of Furnace Black

This Subcommittee reports that there does not appear to be sufficient interest in support of an extensive industry effort to obtain a food additive regulation to permit carbon black in plastic food packaging materials. Such an effort would require the expenditure of funds which do not appear to be available at this time. As a result of this review the Subcommittee was discharged at the meeting on June 19, 1975. The Subcommittee's Chairman did suggest, however, that there may be a limited interest in carbon black for use in plastic pipe and recommended that this would be a proper area of concern for the SPI Plastic Pipe Institute.

FDA Regulations under Freedom of Information Act

Pursuant to the FDCPMC's decision of January 22, 1975, a draft of "A Guide and Introduction to Understanding the Public Information Regulations of the Food and Drug Administration" has been prepared by SPI's Counsel. This draft has been referred to the FDCPMC's Steering Committee and the Lawyers Advisory Subcommittee for review. Hopefully, a final version will be ready for distribution by the time of the next meeting of the FDCPMC.

The next meeting has been scheduled for December 10, 1975.

Karl A. Hochschwender
July 2, 1975.

SPI-22356

SERVICE COMMITTEES

INTERNATIONAL COMMITTEE:

William F. Christopher, Chairman
A. J. Evans, Staff Director

On April 11, 1975, I appeared before the United States International Trade Commission with Peter Nemkov, SPI Legal Counsel, and presented testimony for the plastics industry in regard to the multinational trade negotiations now getting underway. Data and interpretation was provided as international competitive conditions, trade trends, and the effects on our industry of tariffs and non-tariff measures affecting trade. Interpretation was provided on the probable effect of changes in tariff and non-tariff measures on U.S. production and sales of plastics and resin materials, and on plastic products. Our testimony was coordinated with MCA, SOCMA, and OCITA groups. SPI was commended by the Commission for the thoroughness and the quality of its testimony. Directors are urged to read either the complete written testimony or the shorter, summary oral statement.

Additional hearings on the trade negotiations are now being held by the Interagency Trade Policy Staff Committee. SPI is not planning to testify.

ISAC 8, Plastics and Rubber, has completed its information and policy paper to be used as a reference document by government during the negotiations. ISAC members will work as industry liaison and reference sources for government during the negotiations. Seven members of the International Committee are members of the ISAC, and I serve as co-chairman for plastics.

For the past two years the International Committee had been in a "hold" position, remaining inactive as a committee but "available" when and if needed. A major effort was made, for example, in our Task Force work supporting first OCITA and then the ISAC; and in developing our ITC testimony. At a June 19th meeting of the committee (our first in more than two years) a task force was appointed to review our situation and to make recommendations to the Board on:

- 1) Status of the committee (should it remain on "hold")
- 2) Possible Committee activities and functions
- 3) Organizational considerations
- 4) A program of actions to be taken to discontinue, to maintain on hold, or to renew

A task force meeting for this purpose is scheduled for July 9th. We would appreciate the thoughts and the guidance of the Board on these matters.

William Christopher
June 26, 1975

SPI-22357

NATIONAL PLASTICS EXPOSITION AND CONFERENCE

Ron McCreary, Chairman
Thomas J. McGrath, Staff

In our February 1975 report, we had advised that Robert T. Kenworthy, Inc., had been rehired as NPE Show Management and that Pat and Bruce Leslie had been retained for NPE Public Relations activity.

Since that report, we have completed our selection of all 1976 Show Contractors. The Jacquard Company will supply the electronic registration equipment, The Andy Frain Company will provide show security and protection, and The Andrews-Bartlett Company was selected as the Show Services Contractor, (drayage, carpentry, rigging, decorating, etc.).

During May, 1975, the show prospectus was mailed to all SPI member companies and all previous exhibitors. As of July 9, 1975, we have had the following response from exhibitors:

Applications for space received - - - - -	86
Total square feet requested - - - - -	66,743
Average - - - - -	776 sq. ft. per application

Comparison with 1973 NPE requests for same exhibitors:

1. Requesting additional space for 1976 Show -
30 exhibitors - additional 10,670 sq. ft.
2. Requesting same amount of space for 1976 Show -
42 exhibitors
3. Requesting less space for 1976 Show -
9 exhibitors - less 2,450 sq. ft.
4. Requests from companies that did not exhibit in 1973 -
5 exhibitors - 1,420 sq. ft.

Net gain over 1973 Show - - - - - 8,220 sq. ft. (14.5%)

The Operations Committee and the Kenworthy organization are meeting on August 7th for final preparations for the Space Drawing at the Waldorf Astoria Hotel in New York on September 24, 1975.

At a June 10, 1975 Executive Committee Meeting, a six question random survey was authorized to be mailed to 2,000 1973 NPE visitors. The survey will be prepared, mailed and audited by a professional survey company. The results of the survey will be used in promoting pre-registration for the 1976 NPE, selling exhibit space in Processors Hall and exhibit space in general.

Continued/

SPI-22358

The last of the operating sub-committees (Conference) will come on stream with an organizational meeting in February 1976. This committee is being chaired by Mr. Clare Bacon.

A verbal report, updating the status of space sales for NPE/76 will be available for the Lincolnshire Board Meeting.

SPI-22359

PLASTICS WASTE MANAGEMENT COMMITTEE

James Alberts, Chairman
John R. Lawrence, Staff

During the last half of the 1974-75 fiscal year the Plastics Waste Management Committee (PWMC) received final reports on two projects initiated in 1973. These reports are available in limited copies and will be used as background material in the Committee's future studies:

Technological and Sociological Significance of
Degradable Plastics
(Prepared by School of Packaging, Michigan State
University)

Recovery of Plastics from Municipal Solid Waste
(Prepared by Combustion Power Co., Inc.)

The Committee has also authorized the National Center for Resource Recovery (NCRR) in Washington, D. C. to conduct studies on the recovery of plastics from municipal solid waste. There are two overall objectives to the project: (1) to demonstrate that plastics in the municipal waste operations and (2) to investigate identified technical approaches for the recovery and separation of plastics in useable form from mixed municipal solid waste. These projects with the NCRR will be reviewed on a regular basis with the PWMC's Steering and Research Committee.

Initial plans for an industry technical meeting on the status of plastics waste issues are being developed for later this year.

SAFETY AND LOSS PREVENTION COMMITTEE

C. T. Dancer, Chairman
J. P. Carroll, Staff

The Committee met on June 18th and 19th in Houston, Texas. The meeting on the 18th was devoted to projects and activities of the various committees. On the 19th a tour was arranged by Phillips Petroleum of their Pasadena Polyethylene Plant. Chairman, Charles Dancer, M & T Chemicals, presented a Certificate of Appreciation to Mr. B. D. Jackson from the Committee and PAC for his two years of outstanding contribution as Chairman of the Safety and Loss Prevention Committee.

To-date there have been four fire tests conducted on plastics stored in warehouses. During the week of July 14th and 21st there will be two additional tests conducted on EPS cups followed in September by two additional tests on EPS trays and cartons.

Currently, there are twelve Fire Prevention Bulletins available for purchase from SPI. This effort has been underwritten by PAC to assist member companies in improving fire protection within the plants. The Committee agreed to consider rewriting the Plastic Safety Handbook and to bring it in line with currently recognized safety and health procedures. The Committee has established a new method for determining the safety awards criteria based on the OSHA incident rate. Safety awards will be presented to member companies in the very near future and will be publicized in SPI News Briefs. SPI has been contacted by NIOSH regarding the development of safety documents on Plastics processing machinery.

The next meeting of the Committee will be held in January in Washington, D.C. in connection with the First Annual Conference of the National Fire Prevention and Control Administration January 12-14, 1976.

J. P. Carroll
7/3/75

SPI-22361

TRAFFIC COMMITTEE

L. S. Truslow, Chairman
Juliette Lang Cahn, Staff

In the six months since the last report the Traffic Committee has been involved in two major activities.

The first problem was a motor carrier packaging problem resulting from the OSHA regulations regarding vinyl chloride and polyvinyl chloride. As a last minute reaction before these regulations became effective, the motor carriers proposed that these products could only move in vapor-free containers. This was obviously an attempt to remove the carriers from OSHA regulations by forcing shippers to use impractical containers for the resins. The newly formed Hazardous Materials Subcommittee successfully handled this matter by presenting a thoughtful statement supported by personal appearances of 10 producers at the hearings. Subsequently a small task force from this group helped the carriers compose a safety bulletin on the regulations and the packaging proposal is now tabled while the carriers gain experience handling the product under OSHA regulations.

The other major activity concerns a Petition for Rule Making Procedure which was filed with the Interstate Commerce Commission on behalf of the Traffic Committee. In this petition the Society cited eight separate cases where carriers had attempted to publish ratings in particular areas that were higher than the nationwide average classification. In each case the proposal was withdrawn or defeated but only after effort and expense by the Society. The ICC agreed that some restraints on carriers might be desirable and has taken formal steps to get some procedural rules established to cover such exceptions.

In addition to these two major activities, the Traffic Committee was involved in one way or another in four other cases with the ICC and seven with the motor carrier's National Classification Board. Several new undertakings by subcommittees are in the planning stage for progressing later this year.

Within the Society there has been some expression of interest in forming a Western Traffic Committee, a Process Machinery Manufacturers Subcommittee and an International Traffic Committee. All of these have some relationship to the Traffic Committee and presumably may or may not become a part of it. However, the formation of each of these is not far enough along to determine its proper role within the Society and the Traffic Committee is

TRAFFIC COMMITTEE - continued

Page 40-a

awaiting better development of their needs and goals before attempting to define relationships with them.

The next meeting is to be held in Houston During January 1976.

L. S. Truslow
July 1, 1975

SPI-22363

APPLIANCE COUNCIL

J. Thomas Howard, Chairman
Juliette Lang Cahn, Staff

Two meetings of the Steering Committee have been held since January. An Interest Questionnaire, to determine the areas in which the Appliance Council will be active, has been developed and is being distributed to plastics appliance manufacturers and others with a stake in the plastics appliance industry. A meeting is planned after the returns are received.

The Appliance Council cooperated with the Furniture Division regarding the Brady Williamson petition. An Ad Hoc Committee of the Appliance Council and Furniture Division was formed and consensus reached as to the method of approaching this problem.

The Sixth Annual Appliance Awards will be presented November 17 in connection with SPE "Plastics in Appliances" NATEC in Louisville, Kentucky. Entry forms are currently being distributed.

Juliette Lang Cahn
July 3, 1975

PLASTICS IN CONSTRUCTION COUNCIL

A. J. Bartosic, Chairman
Joseph S. McDermott, Staff

The Council has been active through individual Committees and task group projects since the last Board report.

Light-Transmitting Panel Committee has rewritten the entire model chapter on plastics for glazing, skylights, exterior veneer and related applications, and submitted it to the Southern Standard, and Basic Building Codes. Subgroups have been alert to protecting the market, in several localities, for light diffusers and luminous ceilings.

Exterior Panel, Insulation, and Assemblies Committee has improved the code texts which it successfully processed through all three national model code groups last year. The States most active in fire protection and use of insulation (Alaska, California, Ohio, etc.) have accepted specific SPI recommendations.

An Interior Trim task force has developed a Technical Bulletin on cellular plastics extrusions used for baseboards, decorative moldings, and similar applications, to inform users and consumers of the merits of the product. Clarification of the FTC actions' bearing on such products was a chief objective.

Vinyl siding, windows, and exterior accessories were featured in a special issue of Professional Builder magazine. The technical and editorial content were developed through several Council members. The audience for this June publication was the entire readership of this largest of building product publications -- 40,000 subscribers. Another 10,000 copies are being distributed through SPI members.

Speaking engagements, technical papers, and various articles are being provided on a steady basis to a variety of audiences. The active members and staff are functioning as a Speakers' Bureau for users, architects, regulators, and the fire service.

Joseph S. McDermott
June 17, 1975

minutes

SPI

MINUTES

BOARD OF DIRECTORS MEETING

OF

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

Williamsburg Lodge

Williamsburg, Va.

October 24, 1975

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

355 Lexington Avenue • New York, N.Y. 10017

(212) 573-9400

SPI-22366

355 Lexington Avenue
New York, New York 10017
(212) 573 9400

SPI BOARD OF DIRECTORS MEETING

MINUTES

Williamsburg Lodge
Williamsburg, Virginia
October 24, 1975

DIRECTORS PRESENT:

A. Andrews
Fritz Backscheider
DeWitt Cheney (Friday Only)
M. L. Christensen (Thursday Only)
Robert Cook
F. Reed Estabrook
Jack Flynn
Jerome Formo
Iver Freeman
Robert Gerdes
Jack Glatt
Charles Grant
Robert Halliday
James Hearons
Barton Hodges
Robert A. Hoffer
Robert Kittredge (Thursday Only)
Leonard Lane
Vernon Larson
Jean Malone
Richard McKibben
William Miller
Robert Morrison
LaVern A. Niedfeldt
Donald Pollock (Thursday Only)
John Reib
Saul Ricklin
Clyde Rushing
C. Rex Scott
Stanford H. Shaw
Edward Slatcher
Fred C. Sutro
Kenneth Valleskey
William Willert

Monsanto Company
Recto Molded Products, Inc.
Allied Chemical Co.
Atlas Plastics Corp.
Plastic Industries, Inc.
Brook Molding Corporation
Dow Chemical Company
Plastics, Inc.
Package Machinery Co.
Plastic Moldings Corp.
Keolyn Plastics, Inc.
Hercules, Inc.
Wilson and George Meyer and Co.
Owens-Corning Fiberglas Corp.
Charlotte Pipe and Foundry
Hoffer Plastics Corp.
Fabri-Kal Corporation
Icore International
Union Carbide Corporation
B. F. Goodrich Chemical Co.
Modern Plastics Co.
Johnson Rubber Company
Molded Fiber Glass Companies
Technical Plastics Corp.
Consupak, Inc.
Conair, Inc.
Dixon Industries Corp.
Peco Manufacturing Co., Inc.
Phillips Petroleum Co.
Shaw Plastics Corporation
Container Corporation of America
USS Chemicals
Mastic Corporation
Egan Machinery Co.

DIRECTORS ABSENT:

Walter Becker
James J. Coleman
Frank Jones
Josef Klingler
John A. Larkin
Charles O'Connell
Gerald A. Schultz
Samuel H. Smith, Jr.
Robert Stillinger
Eugene H. Wiard

Mobay Chemical Co.
ICI United States, Inc.
Michigan Chrome & Chemical Co.
Janler Plastic Mold Corporation
W. R. Grace & Co.
Gulf Oil Chemicals Co.
Noury Chemical Corp.
Van Dorn Company
Crown Molding Co.
Ren Plastics

INVITED GUESTS:

Daniel Burleson
Leonard Cohn
Robert Ferrante
Robert Forger
Martin Haley
Harold Holz
Richard Moore
Matthew Swetonic

Martin Ryan Haley Associates
Monsanto Company
Hill and Knowlton
Society of Plastics Engineers
Martin Ryan Haley Associates
Union Carbide Corporation
W. R. Grace & Co.
Hill and Knowlton

SPI STAFF PRESENT:

Lloyd Darden
William Dirzulaitis
Ralph L. Harding, Jr.
Jerome H. Heckman
Laura E. Jones
John Lawrence
Thomas J. McGrath
E. S. Nuspliger
Robert Sherman
Robert R. Tiernan
C. R. Titus

Western Regional Manager
Director of Administrative Services
President
SPI General Counsel
Secretary to the Board
Technical Director
General Manager
Director of Public Affairs
Midwest Regional Manager
Associate Counsel
Manager, Government Relations

Chairman Scott called the meeting to order at 9:00 a.m. and asked for self-introductions.

Mr. Scott introduced Bill Dirzulaitis, SPI's new Director of Administrative Services and welcomed him to the staff.

He then asked for approval of the minutes of the last Board Meeting, which were mailed to all Directors. There being no additions or corrections, Mr. Flynn moved that the minutes be approved, Mr. Lane seconded the motion and the Board approved the motion.

EXECUTIVE COMMITTEE REPORT

Mr. Scott reported that the Executive Committee had met on Thursday morning and again at breakfast before the Board Meeting, with all members present except Mr. O'Connell. Mr. Hoffer, as Chairman of the Nominating Committee, was asked to consider a number of candidates for Director at Large to fill the unexpired term of Al Andrews of Monsanto who has been promoted to other duties within Monsanto. Mr. Scott, on behalf of the Directors, expressed appreciation to Mr. Andrews for his valuable service to the Society.

Mr. Hoffer, as Chairman of the Nominating Committee, announced that Ivar Lundgaard, Assistant General Manager of the Plastics Department of E.I. du Pont de Nemours, Inc., has indicated his willingness to serve on the SPI Board, filling the unexpired term of Mr. Andrews, which terminates May 31, 1977. Mr. Hoffer moved that the nomination of Mr. Lundgaard be approved, Mr. Gerdes seconded the motion and the Board approved the motion.

Mr. Scott announced the 1976 Nominating Committee appointments as follows:

Robert A. Hoffer, Chairman	Hoffer Plastics Corp.
David Clavadetscher	Premix, Inc.
Robert Elliott	Pronto Plastics
Jerome Formo	Plastics, Inc.
William Kennel	Amoco Chemicals
Robert Kittredge	Fabri-Kal
Sam Smith	Van Dorn

Mr. Sutro motioned that the 1976 Nominating Committee appointments be ratified, Mr. Backscheider seconded the motion and the Board approved it.

Mr. Scott stated that the Executive Committee had spent a considerable amount of time reviewing the dues policies and the kind of campaign needed to reach the key prospects among the captive operations. These items will be discussed in the appropriate Committee report.

Mr. Harding and Mr. Sutro called to the attention of the Executive Committee a PAC resolution in which PAC agreed to underwrite some of the SPI legal expenses being incurred in connection with the FDA proposed regulation on PVC in food packaging on behalf of several SPI groups. This expense will be charged to the PAC portion of the SPI legal budget and the Committee agreed to authorize expenditures of up to \$50,000 for this activity.

The Executive Committee briefly reviewed the staff assignments generated at the September 18 - 19 PAC meeting along with the general questions raised by Messrs. Harding and McGrath about the staff workload and proposed new operating units. These items will also be covered in some detail in the Board Committee reports.

The Committee briefly considered several additional items including the staff dinner for Charlie Condit on November 4. Mr. Scott said that all Board members were cordially invited to attend.

The Executive Committee agreed in principle to the Western Conference's exhibits and scholarship program, subject to the proper legal constraints.

Mr. Harding discussed the possibilities of SPI sponsoring a plastics exposition in Moscow which will most likely be held in the fall of 1977. If any Board member is interested, Mr. Harding should be contacted.

Mr. Scott reported that Mr. Coleman had formally requested that distributors of plastics become Class I members. The Executive Committee, after studying the bylaws and considering the opportunities and difficulties involved, decided that Mr. Scott should answer Mr. Coleman's letter stating that most distributors are now technically eligible for Class I membership - paying Class I dues. Distributors may also join as Class II members, however, they must pay Class II dues.

Mr. Hoffer motioned for approval of the Executive Committee Report, Mr. Estabrook seconded the motion and the Directors voted their approval.

FINANCE COMMITTEE REPORT

Mr. Niedfeldt stated that the finance statement was in the Report Notebook and instead of going over it point by point, if anyone had specific questions, to please contact him after the meeting. The Finance Committee has reviewed the first quarter results and the Committee is of the opinion that if there are incoming dues from new memberships and if expenditures are controlled, SPI will have another year of positive variance of income over expenses.

Mr. Niedfeldt reported that the Finance Committee recommended that the following resolution be adopted in view of the recent successful conclusion of the NPE-IRS action against the Society:

BE IT RESOLVED that \$558,260 of the NPE reserve fund be transferred immediately to the Directors Special Reserve Fund, with the remaining balance to be transferred to the Directors Special Reserve Fund on or before the fiscal year ending May 31, 1976.

Mr. Niedfeldt moved that the above resolution be adopted, Mr. Backscheider seconded the motion and the Board approved it.

With the addition of these monies, the Directors Special Reserve Account shows a balance of \$1,268,000, which is approximately \$350,000 over the minimum desirable reserve and approximately \$600,000 under the maximum reserve established at a previous Board Meeting. Accordingly, the Finance Committee recommends that there be no change in the dues rate for Class I members.

After a great deal of discussion concerning the present and the forthcoming year, the Finance Committee wished to bring to the attention of the Board and the SPI staff the following very important message for consideration in the future planning and deliberations of the Society.

The 1975 - 1976 expense budget was set at \$3,600,000. Class I member dues cover \$3,300,000 of that amount. Looking forward to the 1976 - 1977 fiscal year, it was the collective opinion of the Finance Committee that there will be a minimal 5% increase in the expenses at the present staff level of activity. However, it is very possible that there will be a 15 - 20% reduction in first class dues income. Therefore, it is very possible that a \$600,000 to \$800,000 gap could exist in the budget preparations for 1976 - 1977.

"Therefore, in order to simply maintain SPI services at present levels, we will undoubtedly have to use a significant part of our reserves, but certainly, not to the extent of taking the reserves below the minimum required by the resolution passed earlier by the Board."

Mr. Gerdes moved to approve the report of the Finance Committee, Mr. Andrews seconded the motion and the Board approved it.

MEMBERSHIP DEVELOPMENT COMMITTEE REPORT

Mr. Willert reported that the total membership changes were as follows:

New Members

27 New Class I Members
1 Reinstatement
5 New Associate Members (Class II)
1 New Class IV Member
1 New Class V Member

Resignations

42 Class I Resignations
3 Class II "
5 Class III "
1 Class V "

Mr. McKibben motioned to approve the membership changes, Mr. Flynn seconded the motion and the Board approved it. (A copy of the last minute membership change report is enclosed.)

Mr. Willert reported that there are 94 non-responders to the sales information survey. He asked for a motion to suspend these 94 members within the next 30 days. Mr. Willert added that at the last Board Meeting, the non-responders list had some 350 names on it.

Mr. Larson motioned that the non-responders be suspended, Mr. Estabrook seconded the motion and the Board approved the motion.

Mr. Willert noted that there were an additional 40 companies that were suspended in October of 1974 and are over 365 days delinquent. He motioned that these companies be dropped from membership in SPI. Mr. Andrews seconded the motion and the Board approved it.

Mr. Willert said that taking into account all the membership changes, the true total of Class I members of SPI at present are 1,059 - the lowest number since 1968.

The Membership Development Committee discussed a new dues structure for Associate or Class II members in order to bring them in line with the services SPI renders. Presently, Class II dues range from \$100 to \$825 maximum. The Membership Development Committee recommends the following changes:

Up to \$1,000,000 in net sales - \$200.00
Over \$1,000,000 in net sales 21 cents per \$1,000.00 with a maximum
of \$3,000.00.

Mr. Morrison moved that the recommendations of the Membership Development Committee regarding a new dues structure for Associate or Class II members be approved, Mr. Formo seconded the motion and the Board of Directors approved the motion.

Mr. Willert displayed the four-page folder which Bob Sherman created for the Molders Management Division to be used for membership promotion. The folder was mailed to approximately 3,000 processing companies with sales over \$1,000,000. The folder can be reproduced with the same kind of material for any other division in SPI requesting it.

Mr. Willert noted that the current issue of *Plastics World* (Buyers Guide) has on the inside cover a full page ad, based on our previous literature using the "one share" theme to promote membership in SPI. Space costs for this page were donated by the publication.

The Membership Development Committee also approved further work on a slide presentation for membership promotion to be used at the SPI booth at the 1976 NPE.

Mr. Formo motioned to approve the Membership Development Committee Report as presented, Mr. Sutro seconded the motion and the Board voted its approval.

PLANNING COMMITTEE REPORT

Mr. Shaw stated that the main topic of discussion at the Planning Committee meeting was the objectives and plans for SPI in 1975 - 1976 and a long-range five year plan. The Committee recognized that the present workload of the SPI staff may be approaching the saturation point. Any additional requests to take on new projects could not be handled effectively unless a very hard look was taken at the duties and function of the present operating units. Some elimination of duties may be made to relieve the staff and allow them to concentrate on new problems and projects that confront the industry.

Accordingly, the Planning Committee requested that the SPI staff, under the direction of Ralph Harding, prepare a review of all the operating units and their functions - what the mission, objectives and scope of each individual unit are. This will be presented to the Planning Committee at the next Board Meeting in February.

The five-year objectives were also reviewed; the Committee concluded that an additional objective should be written to recognize that SPI's programs must be closely geared to members' willingness to support it.

The Planning Committee discussed the question of attracting captive molders to membership in SPI. Messrs. Scott and Harding are planning to talk to some of the key captive processors about joining SPI. As a result of the Committee discussions, the Planning Committee agreed to the principle of offering Class I membership to captive processors based on the cost of the materials purchased, subject to the development of appropriate eligibility requirements. Prior to committing this matter to the entire Board at a later time, the Planning Committee will first carefully review and agree on the appropriate definitions and legal aspects of what this kind of membership entails.

Mr. Shaw reported that the Planning Committee heard a report on Third Party Liability legislation and accepted the report (this will be reported on later in these minutes). The Planning Committee requested that the Ad Hoc Committee on Third Party Liability keep them informed of what steps were being taken regarding this situation.

Operating Unit changes and additions were discussed by the Planning Committee and referred back to Ralph Harding and the staff for proper action and for further information before final approval by the Committee.

The Committee also discussed expanding the computer mailing list and gave its approval to further study.

Mr. Shaw reported on the Plastics Exhibit at the Smithsonian. A report by Harry DeBois was reviewed and the Planning Committee agreed to support the exhibit but not to fund it. The industry will be requested to supply historical machines, artifacts and contemporary products. The Exhibits will be developed and paid for by the Smithsonian workshops.

Mr. Lane motioned to approve the report of the Planning Committee, Mr. Andrews seconded the motion and the Board approved it.

PROCESSORS COMMITTEE REPORT

Mr. Gerdes stated that the Processors Committee reviewed the membership promotion program and agreed that SPI literature needs to answer more specifically what SPI does for the processor member. The Committee recommends that more of the brochures like the one promoting membership in the Molders Management Division be used. This suggestion was passed on to the Membership Development Committee. The Processors Committee discussed the proposed lowering by OSHA of the allowance for particles of asbestos in the air. It was agreed that this new proposal needed further investigation by the SPI staff. Data will be developed and submitted to the Committee for comment before SPI action is requested.

The Committee discussed the lowering of plant noise levels from 90 to 85 decibels, and requests that SPI file a statement in opposition, based on adverse economic impact and/or the lack of evidence of medical need.

The question of whether an SPI group fire-liability compensation program should be redeveloped was discussed. The Committee recommended against any effort at this time to reinstitute a national program.

The Processors Committee requested that the SPI Financial Management Committee develop a new industry survey of statistics on typical insurance costs, insurance needs and range of premiums as a comparison guide for processors.

The Committee also requested that a summary report be developed by the Coordinating Committee on Consumer Safety of the Factory Mutual warehouse storage tests for use by the processors in dealing with insurance carriers. This should give an assessment of the current insurance climate and how these test results can be used effectively.

Mr. Glatt motioned that the Processors Committee report be approved, Mr. Backscheider seconded the motion and the Board approved it.

PUBLIC AFFAIRS COMMITTEE REPORT

Mr. Sutro, reporting on the activities of the Public Affairs Committee, pointed out that there was a recent article in TIME magazine that is pertinent to the problems faced by SPI. The article states that "environmental disease is becoming the disease of the century." Mr. Sutro read the following excerpts: "According to a spokesman for the National Cancer Institute - Cancer in the last quarter of a century can be considered a social disease, a disease whose causation and control are rooted in the technology and the economy of our society." The article concludes with a quote from Dr. Selikoff in which he states, "Doctors and environmentalists nonetheless insist that new antipollution laws are essential. What is an acceptable risk for cancer, says Dr. Selikoff, "one out of a hundred - more or less? With cancer, any risk is too high." To reduce these hazards even further, Selikoff and his colleagues are urging enactment of "even stricter new regulations on the manufacture and use of substances known to be toxic and better screening to keep those suspected of causing cancer or other illnesses out of the environment." Mr. Sutro

concluded that industry is operating in an environment in which guilt is presumed until innocence is proven. This attitude makes the Public Affairs Committee's job somewhat more difficult. Reporting on PAC finances, Mr. Sutro said that for the first three months of the 1975 - 1976 fiscal year, PAC has been within budget.

Mr. Sutro informed the Board that PAC was now functioning under the reorganization established at the last Board meeting with "issue coordinators" established and reporting to the Vice Chairman of PAC, Reed Estabrook. This new system helps focus attention on the key issues facing the plastics industry today and in the future. Mr. Sutro reported on the issue coordinators' activities as follows:

1. Mr. Kittredge is the coordinator of Energy and Feedstocks. He has requested that an Ad Hoc Committee be established to work with Mr. Flynn's Technical Committee on putting together a compendium or series of booklets recommending ways to Save Energy which could be distributed to SPI's membership. Such a project would be helpful in launching an Energy Saving program.
2. Mr. Formo, the coordinator for Solid Waste, reported to the PAC on the work being done by Keep America Beautiful and the Action Research Model (ARM). ARM is a continuing field test of a behaviorally based systems approach to the reduction of litter. To date, there are three pilot cities where this system has been tested: Charlotte, North Carolina, Macon, Georgia and Tampa, Florida. The reduction of litter which has been accomplished to date ranges between 64 and 69% - a significant figure. Other cities are being considered. Mr. Formo will be considering a program on how SPI can promote this program to even more cities and counties. Mr. Formo is also monitoring the work at the National Center for Resource Recovery and he is studying how SPI can work with cities, counties, states to promote energy from solid waste, particularly SPI's continuing policy that the best disposal method known today for scrap plastics is to use the BTU's therein.
3. Mr. Hearons, the Combustibility Coordinator, has addressed a letter to all SPI operating groups to obtain an up-date of interest in or activity in combustibility programs. Mr. Sutro asked all the Division Chairmen to send Mr. Hearons their thoughts on combustibility matters. An Ad Hoc Committee has been approved and established to assess SPI's activities in the combustibility area. They will be determining whether there is any duplication of effort within SPI, whether the interests of the operating units are being served and indeed, whether SPI can presently serve all the interests of its operating units in the combustibility area. This situation will be reported on at the February Board Meeting.

4. Mr. Malone, Coordinator for Toxicology, proposed, but was not yet strongly recommending, that SPI consider hiring either a part-time consultant or eventually, a full-time staff member in the toxicology area. Mr. Malone asked that an Ad Hoc Committee of Toxicologists be created. These experts would make sure that SPI is doing whatever is necessary in this area presently and they would also plan for the future.
5. Mr. Halliday, the Coordinator of Future Issues, reported on the current developments within OSHA and their consideration of the possibility of lowering the plant decibel limit from 90 to 85. This situation is being monitored very closely. Mr. Halliday will report at the February Board Meeting on possible other problems likely to be facing the industry from 1976 to the year 2000.

Mr. Titus reported to the Board on the current status of deregulation of natural gas. He stated that the Senate had just voted its approval of an amended bill of deregulation of price ceilings which would probably be opposed vigorously in the House of Representatives. SPI's statement on deregulation of new natural gas was distributed to all involved Senators and Representatives. He said that the Board and SPI members would be kept informed on SPI's efforts in this area.

Mr. Flynn reported on the Research Associate Program at the National Bureau of Standards. The National Bureau of Standards is one of the most influential centers in the United States for fire research with a budget of approximately \$6,000,000 for fire research. It is the main technical arm on fire safety for the Consumer Products Safety Commission and other Government agencies. The NBS has a program wherein non-government groups provide professional experts to work at NBS on programs of mutual interest. Two years ago SPI arranged for 6 research associates to work at NBS in the general area of flammability. Amoco, Celanese, Dow, duPont, Hooker and Monsanto provided the first 6 associates and paid their salaries. Some expenses for laboratory technicians and travel are paid for by SPI. Four of these company member associates have completed their two year participation. Union Carbide has agreed to provide one research associate - leaving three openings. Mr. Flynn stated that an appeal letter would be sent to all the FTC respondents and to the Board to help fill the three vacancies. Most of the monies spent by the participating companies and SPI are credited to the \$1,000,000 research fund for the Product Research Committee established by the FTC consent order.

Mr. Lawrence reported on his recent trip to Scotland to attend an international conference on Fire Safety and Combustible Materials. He was impressed by the vast array of theoretical and applied research being done on a world-wide basis. However, much of the work still appears to be a piecemeal approach to a problem that has plagued man for thousands of years. Mr. Lawrence affirmed that the Ad Hoc Committee on Combustibility, headed by Jim Hearons, would be looking at the total combustibility picture in the months ahead and would try to come up with a realistic program for SPI.

Mr. Sutro reported on the activities of the Legislative and PR Committee. Presently, the level of bills in Federal and State Legislatures about which SPI must be concerned and about which SPI must maintain very close surveillance and possibly take action at the highest level it has ever been. The Committee has been studying the possibility of merchandizing, through a public relations program, SPI's solid waste efforts and technical efforts over the last 4-5 years. In addition, VCM/PVC Producers have allocated \$500,000 for its "Action Program" over the next 18 months.

Mr. Sutro informed the Board that Mr. Moore's report to the Board of Directors, given at the July Board meeting, was available in summary form for those who are interested in having a copy.

In addition, PAC is already at work on its 1976 - 1977 budget.

Mr. Freeman motioned that the Public Affairs Committee report be approved, Mr. Estabrook seconded the motion and the Board approved it.

AD HOC COMMITTEE ON THIRD PARTY LIABILITY REPORT

Mr. Larson reported that the Ad Hoc Committee on Third Party Liability (consisting of Messrs. Backscheider, Freeman and Larson), appointed by Chairman Scott, held its first meeting and reviewed the status of Senate Bill 2018 and the amendments sponsored by the Machine Tool Builders Association. It was agreed by this Committee that SPI could not support Senate Bill 2018 as written or the amendments of the MTBA. The Committee deplored the escalation of the third party liability suits and feels that there must be some common ground that SPI can support. It was felt that, presently, a great deal more political intelligence on how inevitable the passage of a bill like S 2018 was before any proposal could be made by SPI which would have any impact. Therefore, the Committee requested that Martin Ryan Haley and his organization investigate the status of S 2018 to find out what the timetable was on its coming before Congress and what its chances are of passage. The bill is not an immediate threat, but will probably come before Congress at a politically more opportune time in 1976. Mr. Larson said that the committee would continue to study and monitor the situation and report to the Board at the February Board Meeting.

Mr. Gerdes motioned to accept the report of the Ad Hoc Committee on Third Party Liability, Mr. Flynn seconded the motion and the Board approved it.

LEGAL REPORTS

Mr. Heckman reported to the Board on the following situations:

1. Regarding the VCM/PVC situation -- The Food and Drug Administration had granted SPI an extension of the deadline date to December 12 to file comments regarding PVC in food packaging.

The FDA has written to the Health Research Group effectively denying their petition, but stating that part of the relief they were seeking will be granted in the course of the rulemaking. Special SPI committees have been working on all of the technical aspects of this problem. The first draft of the SPI comments has been circulated. In addition, SPI intends to make a very strong argument against the Food and Drug Administration taking jurisdiction over plastic pipe.

The Environmental Protection Agency's standard on VCM is due to be released any day now.. Mr. Ruckelshaus and the VCM group is trying to get the new Clean Air Act in the Senate Public Works Committee to read in such fashion that EPA can honestly concede that it takes cost into account in reaching some of its decisions.

2. Regarding the Plastic Beverage Bottle for Carbonated Beverage and Beer Use situation - there are bills to ban non-returnables or non-refillables in state legislatures and at the Federal level. A special situation exists in Massachusetts where a referendum on the subject has been introduced. It looks likely that the public will have to vote on this issue and decide whether or not to have non-returnables in the state. SPI may have to join with the other industries involved and wage a campaign for non-returnables. This could be expensive.
3. Regarding the OSHA noise level proposal to change the standard from 90 to 85 decibels - OSHA closed the hearing record on September 12. Very good evidence was presented on behalf of remaining at 90 decibels. The decision should be to stay at 90 decibels on the facts of the case, but the 85 decibel level could be adopted for political reasons.
4. NIOSH has proposed interim new standards on 11 chemicals. NIOSH proposes to keep the present standards in effect but they have added a new concept called "action level" which is half of the present standard. Eventually, this would mean the need for monitoring, employee training and medical surveillance. At this point, however, the situation is entirely unlike the PVC/VCM proceedings.

Mr. Tiernan reported on the proceedings with the Federal Trade Commission's proposed trade regulation rule. On September 22 SPI submitted its list of disputed issues to the FTC. All those who filed disputed issues were industry members with no third parties involving themselves in this matter. The FTC will not order a hearing before the beginning of the new year. Meanwhile, SPI will try to negotiate a settlement with the FTC rather than go through the hearing process.

Mr. Tiernan further reported that SPI has been dismissed from the Sunshine Mine case. SPI agreed to settle with the plaintiff for \$2,500 on the condition that the plaintiff would neither oppose or appeal the motion to dismiss. The fact that SPI was dismissed from the case will be used as a model in the other cases of this nature in which SPI is a party.

Mr. Sutro moved that the legal report be accepted, Mr. Andrews seconded the motion and the Board approved the motion.

Mr. Harding informed the Board that SPI is trying to see that overlap between Keller and Heckman, Hill and Knowlton and SPI's Washington Office does not become a problem. Mr. Titus will be monitoring Capitol Hill, and he will maintain routine contacts with many Federal agencies. Keller and Heckman will continue to handle SPI's dealings with the FDA and they will also handle other Government agency matters where there is negotiation or litigation. Duplication will be avoided by the offices keeping in close touch with each other.

REPORT ON K 75- IN DUESSELDORF

Mr. Scott and Mr. Harding reported that the K-75 Plastics Show in Duesseldorf was a tremendous and very optimistic show. However, the upward trend in business taking place in the United States has not yet started in Europe. Mr. Harding said that amongst the plastics trade association executives from all over the world and others that he met with, there was a great deal of concern over the VCM/PVC situation in the U.S. They were also concerned about what other materials would be given the same kind of scrutiny. Mr. Harding thought that it was very worthwhile to take part in world-wide activities.

While Mr. Harding was in Europe he visited the Glahe Organization, which would be setting up the proposed plastics show in Russia. He was very impressed with their organization. If SPI decides to sponsor this show, it would be the first plastics show in Russia.

SPE

Mr. Holz reported on the activities of SPE. SPE held a successful PACTEC meeting in Las Vegas which was attended by Lloyd Darden. A slide presentation is now available explaining what SPE is and its activities. Mr. Holz stated that while at the Duesseldorf fair SPE representatives had an opportunity to meet with members of the entire engineering society of Germany. During his trip to Europe, Mr. Holz personally visited SPE sections in the Benelux countries, Switzerland and France. He emphasized that SPE was truly an international organization. He said that SPE would like to actively support the SPI PAC effort in a more orderly fashion and asked that the PAC appoint a PAC member (who might also be an SPE member) to act as a liaison between SPE and PAC.

Mr. Forger stated that his attendance at the Planning Committee meeting was worthwhile from the point of view of seeing how other associations approach their problems. SPE is being asked by Government agencies, Congressmen, and Congressional Committees for comments and information. Mr. Forger thought that many of SPE's activities and problems are closely related to SPI's and that there is room for further cooperation between the two societies.

OPERATING UNIT REPORTS

Plastic Pipe Institute

Mr. Hodges stated that the PPI was a financially strong organization and at present were facing two serious problems: The FDA-VCM situation on potable water pipe and the fire, smoke, toxicity issue pertaining to all plastic pipe systems. Committees have been formed, and they are working diligently on these two problems.

Machinery Division

Mr. Reib thanked the Board on behalf of the Machinery Division for the swift reaction to the problem of third party liability.

National Plastics Exposition and Conference

Mr. McGrath reported that on September 24 the space drawing was held for the 1976 National Plastics Exposition. A total of 298 companies drew space - an 11% increase over the 268 companies who drew space for the 1973 Show. A total of 251,000 square feet were drawn, topping the record of 243,000 square feet for the 1973 show. 107 companies who participated in the 1973 show have taken increased space. Forty-four companies who did not exhibit in the 1973 show have drawn space for 1976. In addition, a number of resin producers will once again be participating including Union Carbide, DuPont, Allied Chemical and Cosden Oil.

NEW ACTIVITIES

Eastern Section

Mr. Shaw reported that the Eastern Section held its first meeting in New Jersey on September 24. The feedback was that it was a good meeting and the Section is off to a good start. The next Annual Meeting of the new section will be in Atlanta in October of 1976.

Washington Office

Mr. Titus reported that good progress was being made in establishing the "presence" of SPI in Washington. Many contacts continue to be made in Congress, with Congressional staffers, with the Chamber of Commerce and with the Washington representatives of SPI member companies.

FUTURE MEETING DATES

Ms. Jones reported on the following meeting dates for the Board of Directors: The next Board meeting will be held on February 11 - 13, 1976 at Innisbrook. The Annual Meeting and Board Meeting will be held in Washington, D.C. on April 5 - 7 at the Mayflower Hotel. On July 27 - 30, 1976 the Board will meet at Del Monte

Lodge, Pebble Beach, California. On October 27 - 29, 1976 the Board Meeting will be held at John's Island, Vero Beach, Florida. The 1977 Annual Meeting will be held in Washington, D.C. at the Mayflower Hotel, March 20 - 23, 1977.

ANNUAL MEETING PLANS

Mr. McGrath reported on the format for the Annual Meeting on April 5 - 7 in Washington. On Monday, April 5 there will be a Finance Committee meeting and an Executive Committee meeting. Monday afternoon the full Board will meet. Tuesday morning the Annual Meeting will open with a breakfast meeting with a speaker to be followed by a panel session and then the Congressional briefing. Tuesday afternoon will be spent on Capitol Hill visiting Congressmen and Senators. The reception on Tuesday evening will be held on the Hill in the Caucus Room of the Cannon Building. On Wednesday, April 7 there will be a breakfast session which will be followed by the Annual Business meeting and the 7th SPI Annual Meeting will close with a luncheon session. The first notice will be sent out within the next few days. Mr. McGrath said that the SPI staff will make all the appointments for the Congressional visits.

Mr. Nuspliger reported that the outline for speakers will be as follows: at the Tuesday breakfast meeting there will be an administration speaker talking on the subject of energy and how it effects our industry. The Tuesday morning panel will cover the three issues of solid waste, combustibility and toxicity. The panel will consist of three key industry representatives who are experts in each field respectively opposite three individuals from outside the industry who have knowledge and/or influence on the three topics. This year there will be a more thorough briefing with a luncheon and there will be more time for the Congressional visits to the Hill. At the Wednesday breakfast, the plan is to have a leading political figure as the speaker. At the luncheon on Wednesday there will be a top Washington commentator/humorist as the speaker.

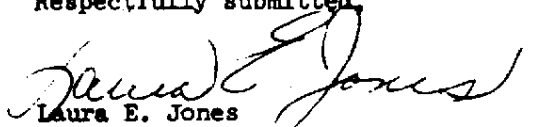
NEW BUSINESS

Mr. Morrison informed the Board the the United States was the only country in the world where lawyers can collect contingency fees, a fact which creates problems for the smaller manufacturers and all others who can be sued. Mr. Morrison suggested that all associations who have a stake in this issue might campaign to eliminate this problem. He thought that SPI should study the problem, find out what other associations were doing about it and take a position on it.

Mr. Harding stated that this was a very broad issue, affecting many segments of society as opposed to those issues where the plastics industry is the primary target. Mr. Harding suggested that Dick Titus would monitor this issue for SPI. He promised to investigate what the Chamber of Commerce, the NAM and other interested associations are doing about this matter and get back to Mr. Morrison with a status report on this issue. He felt that on the issue of contingency fees, SPI should be part of a larger movement if and when we take a position on this matter.

There being no further business to transact, the meeting adjourned at 11:32 a.m.

Respectfully submitted,


Laura E. Jones
Secretary to the Board of Directors