

public affairs bullet

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No. 2 - April 1974

SPI OPPOSES NEW ALLOCATION PROPOSALS

Proposed revisions to the petroleum allocation program, announced on March 29 by FEO, were opposed in a statement filed by SPI. Proposed rules would allow diversion of feedstocks such as benzene, toluene, zylene, hexane and naphtha to agricultural uses, manufacture of synthetic gas and gasoline blending with no priority for the petrochemical industry. SPI said the result would be "counterproductive in terms of FEO management of petroleum shortages" as well as disruptive to the total economy, and warned that interruption of the flow of these feedstocks to traditional users in the plastics industry could trigger new shortages which would affect production and jobs.

OSHA'S EMERGENCY VINYL CHLORIDE STANDARDS

New emergency Occupational Safety & Health Administration Standards for vinyl chloride workers became effective immediately on announcement in the Federal Register April 5. The OSHA rules reduced permissible exposure levels of workers from 500 ppm in air to 50 ppm, and also required a system of workplace monitoring. Where exposure is greater than 50 ppm, personal protective measures and equipment are required. Proposed permanent OSHA standard on VC exposure is also expected to be announced soon. Because the emergency standard is in effect for only six months, the agency hopes to proceed during this period with formulation of a permanent workplace standard.

EFFORTS TO EASE OSHA REGULATIONS

Congressional pressure to temper the severity of the 1970 OSHA law continues. On April 4 Congressman Robin Beard (R-Tenn.) read into the Record a new bill to amend the basic OSHA legislation by reducing the "adversary" role of the agency toward business, including a requirement that businesses can get "reasonable advance notice" of inspections. Earlier, the House Select Labor Subcommittee began oversight hearings on OSHA and heard from Rep. William L. Hungate (D-Mo.) that hearings held by his Small Business Subcommittee disclosed strong desire on the part of small businessmen to initiate consultative inspections.

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"ZERO GROWTH" YEAR FOR INDUSTRY

Due to feedstock shortages, it will take the plastics industry two to five years to meet growing demand, said SPI's Ralph Harding in a March interview with Reuters' news service. Demand this year is running from 30 billion to 33 billion pounds but, based on January production figures, annualized production is expected to be no more than 1973's 27 billion pounds. While FEO regulations permit the industry to receive "100 percent of current needs", Harding said, 90 to 100 percent of 1972 levels is a more realistic expectation.

EPA FORMS VINYL CHLORIDE TASK FORCE

EPA has formed an internal task force to assess the environmental impacts of both vinyl chloride and PVC. At an April 4 briefing, Glenn E. Schweitzer, Director of EPA's Office of Toxic Substances, said the task force is currently reviewing and assessing data on: (1) the ambient emission and effluent levels of VC in air and water from VC and PVC manufacturing plants, (2) the environmental impact of all disposal methods for VC and PVC wastes, including landfill, incineration, deep-well injection and ocean dumping, and (3) ecological effects of VC in the environment. (Five-page summary of EPA briefing available.)

GOVERNMENT PLAN FOR NATION'S TECHNOLOGICAL FUTURE

Addressing an audience of business leaders at Town Hall of California in March, SPI's Ralph Harding warned that the U.S. is undergoing an enforced transition from the economics of demand to the economics of supply. He proposed a national clearinghouse for information and projections on future supplies of strategic materials, to be located in the Federal government and to be "assigned to task of charting our economic and technological future." The energy crisis, said Harding, has shown us the weakness of our current technology, especially its dependence on cheap and abundant energy in the forms of crude petroleum and natural gas. He noted a special irony in that the plastics industry -- one which points the way to the technology of tomorrow -- is now so deeply affected by the shortcomings of traditional technology and of economic concepts on which we still rely today. "Our industry has been seriously but not permanently hurt," he said, "both by the resultant shortages and by associated misunderstandings of the real priorities." (Copies of full text available.)

HOFFER REVIEWS INDUSTRY PUBLIC AFFAIRS EFFORTS

Speaking at a Society of Plastics Engineers RETEC in Chicago in March, SPI Chairman Robert Hoffer reviewed briefly SPI's public affairs activities in the areas of solid waste and combustibility, then dealt at some length with activities relating to the energy crisis and materials shortages. He cited the "all-out effort" of a large segment of the industry as being largely responsible for successes to date in dealing with Washington, and noted emphatically that the challenges which still lie ahead will require similar unified efforts. (Copies of full text available.)

STILL NO REGULATIONS FOR MINNESOTA PACKAGING LAW

On March 26, 1974 the staff of the Minnesota Pollution Control Agency met with SPI's special legislative representative and other industry representatives to review various aspects of the packaging regulations being developed by the Agency in connection with the 1973 packaging law. Discussion centered on a Criteria Evaluation Checklist drafted by the Agency, and the Agency's concern over an acceptable energy data basis to use in the evaluation process of new or revised packages or containers. Another area involved definitions of "acceptable plastic." Nothing was resolved -- no further meetings were scheduled. The next step probably will be a third set of proposed regulations and a third formal hearing, possibly within the next two or three months.

SPI OPPOSES CONTAINER BILLS IN MASSACHUSETTS, NEW YORK AND VERMONT

In March, SPI actively opposed proposed legislation that would ban or impose refund values on nonreturnable containers for beer, soda and other carbonated beverages at legislative hearings in Massachusetts and Vermont and New York -- a bill was opposed with a provision that 19 months after enactment no beverages may be packaged by means of plastic loop retainers. As elsewhere, SPI's legislative representatives (supported by local plastics companies in Massachusetts and Vermont) emphasized that such piecemeal measures fail to consider a total systems approach to the solid waste disposal problem. Thus far, none of the bills has been passed.

OPPOSE MASSACHUSETTS POLYURETHANE FOAM BILL

On March 12, 1974 SPI's legislative representative appeared before a committee of the Massachusetts Legislature in opposition to a bill that would make it unlawful to manufacture or

offer for sale, distribute in intrastate commerce, or import into Massachusetts any polyurethane foam or any product containing polyurethane foam not in conformity with applicable fire and flammability standards established by the proposed Act. SPI emphasized that the bill is unnecessary and premature inasmuch as extensive activities are now underway at the Federal level to develop more meaningful standards governing the sale and use of polyurethane foam, and any legislation at the state level will duplicate, and may be preempted by, a Federal law.

USG ANNOUNCES POLICY ON FOAM INSTALLATIONS

SPI's Urethane Safety Group has gone on record as opposing strongly "any building code provision permitting the installation of urethane foam as insulation where the foam is left bare, exposed or unprotected by a suitable barrier against ignition, regardless of the building occupancy, actual or planned." Major model code groups were notified of the position in a letter from the Plastics in Construction Council. Builders, architects, the fire community and others were informed through announcements to their trade publications.

IAFC NAMES SPI REPRESENTATIVES

The International Association of Fire Chiefs has appointed SPI's Jerome P. Carroll, John G. Degenkolb, SPI's fire consultant, and J. Eugene McLoughlin of Hill and Knowlton, SPI public affairs counsel, to a newly established Plastics Survey Committee. The Committee will help keep fire chiefs informed about matters concerning plastics and combustibility.

INDUSTRY REPRESENTATIVES, FIRE OFFICIALS AT NFPA MEETING

For the third successive year, SPI will host a hospitality suite at the Fontainebleau Hotel, Miami Beach, during the 78th Annual Meeting of the National Fire Protection Association May 20-24. Two plastics industry representatives, John Blair of

du Pont and Herb Nadeau of Upjohn, will deliver key speeches on SPI's research efforts. A special meeting between SPI officials and the executive committee of the Fire Marshals' Association of North America will be held during the week.

PLASTICS ABSOLVED IN SAO PAULO FIRE

When the first stories appeared on the Crefisul building fire in Sao Paulo, Brazil, they said the flames were fed by "flammable plastics". John G. Degenkolb, representing the International Association of Fire Chiefs, and John Sharry of NFPA, rushed to Sao Paulo to investigate. Both reported back that no plastics materials were involved in the fire. Degenkolb's report is available from SPI. Sharry's report will appear in Fire Journal.

CONGRESS STARTS TO MOVE ON KEY ENERGY, COMBUSTIBILITY AND SOLID WASTE BILLS

Before leaving for its Easter recess (April 11-22), Congress acted on several bills being followed by SPI for the industry:

- ° The Fire Prevention and Control Act of 1974 went to the House Committee on Rules and is now awaiting action on the Floor.
- ° Senator Jackson introduced a bill to create the Standby Energy Emergency Authorities Act. A scaled-down version of the energy bill vetoed by the President--it is being given top priority.
- ° A bill introduced by Senators Dole of Kansas and Scott of Pennsylvania calls for mandatory allocation of plastics feedstocks to each processor in an amount not less than that sold or supplied to such processor in 1973.
- ° Senate Subcommittee on the Environment set 4/30 and 5/1/74 as hearing dates on the Senator Hatfield "Oregon" bill requiring a deposit on all beverage containers involved in interstate commerce.
- ° A \$1.5 billion omnibus solid waste bill -- a complete revision of the Hart-Moss bill -- was sent to the Senate Committee on Commerce by the Senate Subcommittee on the Environment.

(See Introduction to SPI's Legislative Bulletin #3 or contact SPI for additional details.)

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HARDING CITES EFFICIENT USE OF ENERGY IN PRODUCTION OF PLASTICS

In a June 10 statement to a Senate Commerce Committee hearing concerning energy waste in the industrial sector, Ralph Harding emphasized that establishment of a national energy conservation laboratory might well be a major step toward establishing at the Federal level some mechanism for implementing a national energy policy that leads to optimum resource utilization. He also stressed, among other things, the following:

- The plastics industry relies directly on petroleum and natural gas for its raw materials, yet the 27 million pounds of plastics produced in 1973 amounted to only 1.3 percent of U.S. petroleum consumption, and all petrochemicals, of which plastics are a part, consumed only approximately five percent of the nation's petroleum and gas supply.
- Utilization of petroleum and natural gas as the primary source of raw materials for plastics is considered one of the highest and most efficient uses of these resources, not only because of the value added in their transformation into finished products, but also because these light weight and durable finished products can frequently be produced at less energy cost than an equivalent poundage of metal from its natural ore.
- It has been estimated that theoretically almost 500 million dollars worth of electricity can annually be generated from waste plastics in the U.S. Therefore, through adoption of national energy policies which regard petroleum as an increasingly important non-fuel resource, adequate supplies for manufacturing plastics products can be set aside that, later, can be incinerated to reproduce energy.

(Copies of full text available.)

VCM ISSUE TRIGGERS INCREASING FEDERAL CONCERN WITH CHEMICALS AND ENVIRONMENT

Vinyl chloride has become the issue which is apparently triggering a broadening Federal concern with chemicals and the environment. Further pressures can be expected from Congress, The Consumer Product Safety Commission, Environmental Protection

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Agency, Food and Drug Administration, research agencies, such as NIOSH, the National Institute for Environmental Health Sciences, and the National Cancer Center. Organized labor hopes to use the VCM issue to press for tough job safety laws in industry. Environmentalists hope to use the issue to prod passage of the Toxic Substances Act which has been stalled in Conference for a year, and to ask Senate and House Appropriations Committees to provide more funds for job-connected health research. Typical of the concern and interest in toxic chemicals is the recent quote of Dr. Frederick de Serres of NIEHS: "I feel that 1974 may be the year everything explodes."

OSHA HEARING ON VCM BEGINS JUNE 25

The Occupational Safety and Health Administration of the Department of Labor has been inundated by requests from industry to testify or provide statements for the hearing beginning June 25 on OSHA's proposed permanent standard to reduce the exposure level of vinyl chloride workers to zero tolerance (the emergency OSHA standard which went into effect April 5 set an exposure level of 50 parts per million in air). SPI plans to lead off the testimony, and a number of SPI member companies have indicated they plan to submit oral or written testimony.

FEDERAL ACTIONS CAST DOUBTS ON PROCESSORS ABILITY TO SUPPLY MATERIALS

Addressing the National Confectioners Association at Chicago in June, John Lawrence, SPI's director of technical liaison, pointed to recent Federal government actions that continue to cast doubts on the ability of plastics processors to supply needed materials to the confectionery and other industries. As an example, he cited recent actions by the Federal Energy Office, which last January had granted petrochemical processors 100 percent of their current requirements. Despite this assurance, FEO in late March and early April announced proposed actions which would divert key petroleum feedstocks required for plastics production to agricultural use and the manufacture of synthetic natural gas. Lawrence emphasized that these actions could take from 10 to 50 percent of the total traditional petrochemical feedstock, leaving the industry little alternative but to shut down. As a result of oil and gas shortages to date, added Lawrence, the industry is already having, and will continue to have, problems in supplying manufacturers of consumer goods in sectors such as transportation, construction, packaging, agriculture, communications, appliances, furniture and health care products. (Copies of full text available.)

SPI SPOKESMAN WARNS THAT DIVERSION OF PETROCHEMICALS WOULD DEEPEN PROBLEMS OF THE PLASTICS INDUSTRY

Testifying at a May 28 hearing on a proposal to allocate petroleum feedstocks for manufacture of synthetic natural gas, F. Reed Estabrook, president of SPI's New England Section, warned that the plastics industry is already on the knife edge of supply shortages, and any diversion of petrochemical feedstocks to manufacture SNG would "cascade the plastics industry into lowered production: cause massive

unemployment in our industry and others dependent upon our output of essential components, as well as lose energy in the conversion of one fuel to another." He said that in order to survive, the plastics industry must oppose "any proposal which will upset the present uncomfortable yet delicate balance between the traditional users of petroleum and natural gas: gasoline, fuel oils and petrochemicals."

PROJECT INDEPENDENCE MAY NOT BE FEASIBLE

More and more, influential and knowledgeable spokesmen in government and industry are thinking out loud that the 1980 goal for Project Independence -- complete freedom from U.S. reliance on foreign energy sources -- will be impossible to achieve. FEO is trying to complete its report on the project's feasibility and hopes to have it in the President's hands by November 1, 1974. However, the general feeling persists that the demand curve for energy in the U.S. keeps going up and may never be satisfied by domestic sources.

SPI HOSTS PLASTICS INFORMATION CENTER AT NFPA MEETING

SPI hosted more than 500 representatives of fire marshals, government agencies, research organizations, insurance associations, and industry at a plastics information exchange center during the annual meeting in May of the National Fire Protection Association. Virtually every segment of the plastics industry was represented by some 30 SPI member companies and staff who were on hand to answer a volume of questions about plastics and combustibility. At various forums, John Blair of du Pont, chairman of SPI's coordinating committee on consumer safety, discussed SPI's research program; Herb Nadeau of Upjohn, chairman of the combustibility committee of SPI's Cellular Plastics Division, reported on Part II results of the Factory Mutual corner wall testing program; and Ralph Harding commented on the ABC-TV Close-Up film on fire (the second show in this series will be televised this fall). Among the more popular pieces of literature at the meeting with fire marshals was the new Fire Safety Guidelines for rigid urethane foam insulation published by SPI's Urethane Safety Group. At a preview of the Blair presentation for the Executive Board of the Fire Marshal's Association of North America, SPI was asked to help develop some way in which the marshals could quickly and accurately identify plastics involved in fires.

FIRE FILM SCHEDULED FOR RELEASE IN DECEMBER

Warner Brothers and 20th Century Fox are reportedly collaborating on a film, "The Towering Inferno", to be released in December. It will be about a high-rise office/apartment building fire in which cutting corners in construction leads to disaster.

CITY COUNCIL OF NEW YORK CONSIDERS PACKAGING TAX

Once again, another bill has been introduced in New York City at the request of the Mayor for a tax on containers used in packaging that would bring in an estimated

\$33 million annually. Among other things, the proposed measure would impose a 3¢ tax on the sale of each plastic bottle, and a 2¢ tax on the sale of each other plastic container. Excluded from the tax would be food, food products, beverages (other than fruit juices, soft drinks, beer and wine), dietary foods and health supplements. The bill appears to be similar in most respects to a 1972 measure rejected by the Council's Finance Committee, and is an expanded version of Local Law No. 43, the 1971 law declared "unconstitutional, invalid and void" by the State Supreme Court. At a June 11 hearing before the Finance Committee, SPI's Sam Nuspliger urged the Committee to reject the bill, stating it "will not aid the City's revenue crisis nor even begin to attack in a significant way its solid waste problem."

ECONOMICS PROFESSOR REVERSES POSITION ON RESTRICTIVE CONTAINER LEGISLATION

In May there was a development at the local level which could have significant and broad overtones on the subject of restrictive container legislation. Dr. Clark Strausser an economics professor at the University of Pittsburgh, who was retained last year by the Erie County Council (N.Y.) to conduct a study on the container problem, changed his position on the need for restrictive container legislation. His original study resulted in a recommendation to the County Council that it enact such legislation. In May, he announced that as the result of new data, prices on beer and soft drinks would rise if a ban were enacted and anti-litter goals of such a law would not be achieved. Therefore, he recommended, such a ban should not be passed.

ACTIVITY TAPERS OFF IN STATE LEGISLATURES

As of the date of this Bulletin, only a handful of State Legislatures remain in session. Thus far, no bills which could directly and adversely affect the plastics industry have been passed. The Louisiana Legislature convened in mid-May and several potentially dangerous container and combustibility bills have been introduced that SPI is monitoring closely for any indications of significant movement.

KEY BILLS STALLED IN CONGRESS

As the summer months approach, Congress appears to be heading toward a legislative impasse and the fate of many key bills is not immediately clear:

- The legislative logjam on solid waste measures in Congress appears to be reaching a climax. There is a multiplicity of bills pending -- including the recently introduced Energy Recovery and Resource Conservation Act of 1974 by Sen. Muskie, and the Solid Waste Utilization Act by Sen. Randolph -- but no one, at this point, can predict whether any bills will be passed or whether all solid waste proposals will be set over until after the November elections. Meanwhile, a subcommittee of the Senate Public Works Committee held hearings the week of June 10 on the Muskie and Randolph bills, and itself, for July 9-11. Final

committee action on the Resource Conservation and Waste Management Act of 1973 (Hart-Moss bill), which was expected soon, was cancelled abruptly on June 13.

- A conference scheduled for early June between Senate and House conferees on the National Fire Prevention and Control Act appears to be stalled. The conference staff has met several times and attempted to work out solutions on how the fire research program should be structured. Despite legislative inaction, the Department of Commerce is moving ahead on plans to organize a new Bureau of Fire Prevention to take over many of the duties formerly handled by the National Bureau of Standards and National Science Foundation. On June 12, Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology asked the Senate Appropriations Committee for a \$13 million appropriation to create the new fire bureau. This represents an \$8.3 million increase in fire-related research activity. Target date for starting the new Bureau is November 1, 1974. Among the specific research areas in the budget request is \$1,660,000 to conduct fire systems research for the Rand program (to remove unreasonable fire hazards in the built environment) and \$10 million to be spent for contracts and grants for research outside the department.
- Long-delayed action on the proposed Consumer Protection Act may be further delayed. The bill faces a possible filibuster on the Senate floor by Senators Ervin (D-N.C.), Allen (D-Ala.), Brock (D-Tenn.) and Nunn (D-Ga.). The feeling among these Senators is that the time for such a super agency has come and gone. If the filibuster develops, it could stall much other proposed legislation.
- Most of industry continues to oppose the Senate version of the proposed Toxic Substances Act calling for pre-market testing of chemicals, but feels it can live with the House version. The Manufacturing Chemists Association has shifted its position to the degree that it is supporting passage of some legislation in this Congress.
- Three environmental organizations - The Sierra Club, Environmental Action, and the Natural Resources Defense Council -- have filed a suit charging the EPA with failure to implement properly the Solid Waste Act of 1965 as amended by the Resource Recovery Act of 1970.

(see Introduction to forthcoming Legislative Bulletin #5 or contact SPI for additional details)