THE SOCIETY OF THE PLASTICS INDUSTRY, INC.
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Background Papers on A. D. Little Study

Impact of Proposed Occupational Safety and Health Administration Vinyl Chloride Standards on United States Economy

In May of this year, the Occupational Safety and Health Administration (OSHA) of the United States Department of Labor proposed that exposure of employees to vinyl chloride monomer (VCM) in workplace air should be reduced to "no detectable level." VCM has been linked in recent months with a higher than normal incidence of angiosarcoma, a rare cancer of the liver, among previously heavily exposed workers.

VCM is used primarily to produce polyvinyl chloride (PVC) resin, which is in turn fabricated into a wide variety of valuable products, including flooring, pipe, curtains, upholstery, phonograph records, telephone equipment, insulated wire, bottles, hoses, packaging, luggage, sporting goods and many others.

While the VCM and PVC industries fully recognize their obligation to reduce worker exposure to as low a level as is possible, the proposed OSHA standard is technologically infeasible to achieve, even with the highly sophisticated methods of in-plant control that have been developed by the industry over the years.

If the proposed "no detectable level" standard is adopted, therefore, the vinyl chloride and polyvinyl chloride resin producing industries will be forced to close down immediately.

For this reason, the Society of the Plastics Industry, Incorporated, retained the nationally renowned economic consulting firm of Arthur D. Little, Incorporated, of Cambridge, Massachusetts, to undertake a study of the potential impact of such a shutdown on the national economy. The preliminary results of that study can be summarized as follows:

-- the loss in employment would be a minimum of 1.6 million jobs.

-- the loss in production and sales would be a minimum of $65 billion.

A detailed breakdown of these results is attached.

Employing an Input/Output economic model for its analysis, A. D. Little was able to estimate not only the impact on the PVC resin industry itself, but also the effect on other major segments of the U.S. economy by defining the interaction of the PVC industry with primary, secondary and final demand markets.

For example, the unavailability of PVC resin would have a major effect on the automotive industry, which utilizes PVC in the form of insulated wire and cable, component parts, upholstery and many other products.

The possible use of substitute materials over a short term basis to replace PVC in some applications is currently under analysis by A. D. Little and will be presented at the OSHA public hearings on the proposed standard, scheduled to begin in Washington on June 25.