Chemical companies denounce an oil import tax

Increasing congressional interest in a fee or tax on oil imports is causing a new wave of concern among chemical companies. Although President Reagan rejected a tax increase in his State of the Union message, a senior administration official says the President has an open mind about a possible new tax within a tax reform package—as long as the result is revenue neutral. Senator Bob Packwood (R., Ore.), chairman of the Senate Finance Committee, told Reagan recently that some new revenue source will be needed to make the reform package come into balance. And with world oil prices plunging, The President has seemed receptive to an oil import fee. However, in a letter to Reagan, Union Carbide Chairman Warren M. Anderson warns that any tax on imported oil would lead to an increase in domestic energy prices. Anderson contends that a new tax would lead to more chemical plant shutdowns in the U. S., and more plants being opened in other countries. "An import tax would place a double burden on the U. S. petrochemical industry," Anderson maintains. "The industry would pay once for the higher-priced oil and other hydrocarbon fuels it uses as raw materials for making chemicals and plastics, and pay again for process fuel for its plants."

EPA is urged to step up biotech research

A scientific advisory panel to the Environmental Protection Agency has recommended that the agency establish a biotechnology research program "larger and broader" than its current $5.7 million/year effort. The panel believes that would enable the agency to make more accurate predictions about a genetically engineered organism's survivability, growth, genetic transfer, dispersal, and likely environmental and health effects, and to find ways to contain and possibly destroy harmful organisms.

OTA finds ways to reduce animal testing

Animal-rights groups and their adversaries in science and industry have long been polarized over the use and treatment of animals during research and testing. However, they are now finding common ground in developing alternatives to expensive, animal-based toxicity testing. A recent study by Congress's Office of Technology Assessment (OTA), entitled "Alternatives to Animal Use in Research, Testing and Education," says that by performing tests that are "more predictive of carcinogenicity than testing with animals, the savings could be enormous." In particular, the report mentions a battery of tests—including the Ames test, which is a *Salmonella typhimurium*/microsome plate mutation assay—that have "shown some promise in preliminary evaluations" and that cost less than $50,000. That cost is well below the nearly $1 million for long-term carcinogenicity tests in two species of rodents. The report was the product of a cooperative effort between groups as diverse as the Animal Political Action Committee and the Chemical Industry Institute of Toxicology, which served on OTA's advisory panel. The OTA report suggests a number of ways in which Congress could promote alternatives to animal research, including tax policies, research grants, legislative mandates and oversight of federal agencies.

Chemical Week 2/12/86

FDA reverses itself on polyvinyl chloride packaging

The Food and Drug Administration (FDA) is withdrawing a proposed regulation that would have banned the use of polyvinyl chloride in articles, such as bottles and sheet, that come in contact with food. FDA says manufacturers have reduced the carcinogenic vinyl chloride monomer residue in the plastic by a factor of nearly 1 million. Also, FDA has changed its previously rigid interpretation of the Delaney Clause of the Federal Food, Drug and Cosmetic Act, which forbids the addition of any cancer-causing substance at any level to food. It is now permitting between 5 parts per billion (ppb) and 10 ppb of the residue, depending on the plastic's use. FDA's action follows a similar one announced Dec. 16, 1985, under which the agency will continue to allow methylene chloride to be used in the extraction of caffeine from coffee, even though the present 10 parts per million (ppm) residue level would result in about 0.1 ppm of the carcinogenic chemical in each 5-oz cup of decaffeinated coffee. FDA's new reading of the Delaney Clause, which it says allows a *de minimis* interpretation of risk, has been challenged by Representative Ted Weiss (D., N. Y.), who says that Congress intended no exceptions to its "absolute prohibition" of carcinogenic food additives.

The sale of Conrail may be derailed in the House

The Senate overwhelmingly approved, 54-39, the sale of Conrail to Norfolk Southern (NS) Corp. But getting House approval of the deal won't be easy. Representative James J. Florio (D., N. J.), who heads the House Energy & Commerce Committee's transportation subcommittee, is dissatisfied with both the $1.2 billion NS offer and a competing, higher offer by an investment group put together by Morgan Stanley. A deadlock would leave the railroad, formed in 1976 from several bankrupt Eastern railroads, in the hands of the government.