

RECEIVED APR 8 1977

MEMORANDUM TO: VCM-PVC Communications Committee DATE: April 7, 1977

FROM: Hill and Knowlton, Inc. COPIES: See below

SUBJECT: Status Report on Communications Program

1. Budget -- Attached is a budget review covering expenditures under the \$120,000 allocation authorized for communications for the six month period beginning December 1, 1976; and an additional \$10,000 authorized as a contingency to cover the extra costs of the New Jersey legislative assignment if they could not be assimilated into the overall budget.

From December through March we have expended \$63,890 (March expenditures estimated). The result is that we are \$16,110 below the pro rata budget of \$20,000 per month (\$26,110 below if you add the contingency), leaving \$56,110 remaining in the allocation (\$66,110 with the contingency).

Projecting expenditures for existing and new activities, we estimate that we will exceed the approved allocations, including the contingency, by approximately \$1,100.

A more detailed summary of expenditures by activity is attached for your review, along with the breakdown by activities and dollars regularly submitted to the Committee, the Steering Committee and SPI.

2. Summary Report on New Jersey Legislative Situation -- A brief recap from reports previously submitted follows:

A task force comprised of industry management representatives and state legislative experts and technical and legislative specialists from H&K helped the Chemical Industry Council of New Jersey contain bill S. 3035 which proposed banning the manufacture and sale of VCM and 15 other chemicals in the state of New Jersey. The bill would also set up a seven-member cancer-control council that would have broad powers of regulation and control over carcinogens.

VCM became the focus of the CIC's arguments against the passage of the bill in hearings conducted by State Senator John Skevin, who was the principal sponsor of the bill and also chairman of the New Jersey Cancer Commission. Fran Voke of B. F. Goodrich spearheaded the VCM participation in the lobbying effort, assisting CIC's chief lobbyist. Assistance by an H&K/Martin Ryan Haley-associated lobbyist in the state capitol was also enlisted. After several strategy sessions, H&K prepared proposed testimony for CIC (NJ) which was delivered at hearings held by the special New Jersey State Senate

Commission on the Incidence of Cancer in New Jersey. Together with the testimony of "allies," the public exposure of the harmful economic effects of the bill and the subsequent abandoning of support by local environmentalists proved decisive in Skevin's withdrawing the proposed ban from his bill.

The remaining portion of the bill is potentially dangerous to VCM and PVC producers in New Jersey and a decision should be made about future participation in the bill's containment by H&K (see last report attached).

3. Media Contact

- Positive Publicity on Essential Uses of PVC -- H&K, with the help of the Communications Committee, is collecting industry information and is preparing news and feature story material on the essential uses in society of PVC. Tentative story ideas, some in the approval stage; include uses in medicine, building construction, the phonograph record industry, toys (safety and educational aspects emphasized). Characteristics of PVC generically will be highlighted, such as its resistance to heat, its durability, its light weight and its flexibility.

A basic descriptive backgrounder will be prepared to position PVC as being essential to society for the press. The backgrounder will cover generic uses and include not only the material's importance economically to leading industries, such as the recording and building construction industries, but also its importance in economic terms to society.

H&K will attempt to perform these services within the existing allocation.

- Quick Response to Negative Press/Broadcasting Stories -- This activity has been, by its nature, an intermittent one. The most recent quick response was to Barry Commoner's article in a Sunday Washington Post edition.

Working with SPI's Technical Director, Keller and Heckman and Ross Adams, H&K drafted a proposed response by Harvard Professor Richard Wilson, who, as you know, had worked on a risk/benefit analysis with the Steering Committee's cooperation. Wilson redrafted the response and submitted it to the Post. Their coverage of the letter and Commoner's article are attached.

Quick Response activity is covered under the existing allocation.

4. NFPA and PVC Conduit -- Under direction of Communications Committee Co-chairman Robert Downey, and working with the PVC Fire Safety Committee, H&K is assisting in an attempt to prevent the National Fire Protection Association from voting at its annual meeting May 18 to eliminate use of PVC conduit in exposed application because of alleged fire hazards. A similar proposal was offered for vote several years ago and was narrowly defeated.

H&K is providing counsel and assistance with formulation of persuasive arguments in printed form to defeat the expected proposal at this year's meeting. Various industry representatives are marshalling a coordinated "lobbying" efforts with delegates to the NFPA meeting.

It is estimated that H&K-related costs, including \$4,000 in out-of-pocket expenses (mostly printed material, T&E in connection with attendance at meetings, telephone, postage, multilithing, etc.) will amount to \$10,750. H&K will attempt to perform its services within the existing allocation.

5. EPA/EDF Suit -- H&K continues to assist, as required and directed by Keller and Heckman, in this situation. PR counsel is being provided as well as writing assistance and press contact as the situation unfolds. A copy of the recent release about SPI's filing its opposition to the EPA/EDF "settlement" is attached.

This activity is being covered under the existing allocation.

6. Washington Activities -- (a) FDA negotiations - H&K is on stand-by to assist the lawyers as required. (b) Delaney Clause and Saccharin issue - The public clamor and vocal opposition by medical experts has generated considerable legislative pressure for re-examination of the efficacy of the Delaney Clause. H&K, with the concurrence of the Communications Committee Chairman and Co-chairman and designated SPI staff, has counseled against visible VCM/PVC participation in the public debate. The rationale is to avoid back-sliding by legislators who may use alleged dangers of other chemicals as an excuse to leave Delaney intact. H&K counseled against editorial briefings of New York and Washington media for this reason. But, we urge use of the SPI VCM/PVC Support System to encourage individual companies to persuade "allies," employees, managers, et al that they may reach to write and telegram legislators demanding that the Clause be repealed or drastically changed.

The Saccharin effort is being closely monitored so that effective VCM/PVC participation on a timely basis can be quickly initiated should the impetus from the industries directly involved in the saccharin issue falter.

These activities have been assimilated in the present budget.

7. Editorial Briefings -- For the reasons stated in #6 above, the briefings by industry teams is being held in reserve.

It is expected that resumption of the briefings can be assimilated in present allocations.

8. Background Paper Updating -- Working with input from the Health Subcommittee, H&K is attempting to update the background paper to try to deal with the Maltoni, ORC and MRI results. Ideally, the "PVC and Health" pamphlet should be updated as well to keep it current and as effective as possible.

It is expected that the updating of the background paper can be done within the present allocations. Out-of-pocket printing and type costs to update the pamphlet will cost approximately \$2,500.

9. Fire Safety Program -- H&K staff members who have been working on fire safety programs within the overall SPI Public Affairs Program over the years have been consulting with the PVC Fire Safety Committee to help in the formulation of a possible program and budget.

H&K's activities in the planning stage are being covered under the existing allocation.


Robert L. Ferrante

RLF:jmv
Attachments

cc: VCM-PVC Producers Group
Messrs. Harding, Lawrence, Nuspliger, Baise, Haley, Heckman, Burleson, Hadley, Durbin, Kiss, Blizin, McLoughlin, Swetonic, White

VCM-PVC "ACTION PROGRAM" BUDGET

	(Dec. '76-Feb. '77-expended) (March '77 - estimated*)	Estimate (April-May '77)	Total
1. Political Education	\$ 3,091	\$ 2,400	\$ 5,491
2. Radio-TV Training	1,050	---	1,050
3. Washington Activities	7,225	5,000	12,225
4. Intra-Industry Communications	13,845 ⁽¹⁾ ⁽²⁾	3,000	16,845
5. Staff and Committee Liaison	6,789 ⁽¹⁾	4,000	10,789
6. Intelligence and Document Development and Updating	1,321	4,000	5,321
7. Media Contact and Response, including Positive Publicity	580	6,000	6,580
8. Out-of-Pocket Expenses	4,373	5,500 ⁽³⁾	9,873
9. Editorial Briefings	2,939	19,000	21,939
**10. New Jersey Carcinogens Bill	<u>5,677</u>	<u>5,000</u>	<u>10,677</u>
SUB-TOTAL	\$ 63,890*	\$ 53,900	\$117,790*
**11. PVC Conduit/NFPA	---	6,750	6,750
**12. Fire Safety Program Development	---	2,000	2,000
**13. Out-of-Pocket Expenses (for 11 and 12)	<u>---</u>	<u>4,500 ⁽⁴⁾</u>	<u>4,500</u>
TOTAL	<u>\$ 63,890*</u>	<u>\$ 67,150</u>	<u>\$131,040</u>

BUDGET

Approved 11/30/76

Contingency for New Jersey situation

\$120,000

10,000

\$130,000

*16/mos for 9 mos.
35/mos for legal*

* Sub-total and total figures include estimate for March of \$17,000 not included in the individual category breakouts. (Note: Modest staff time charges also were incurred in March in connection with start-up of the PVC Conduit/NFPA assignment.)

** These categories were not included in the original budget of \$120,000 approved in November.

- (1) Staff time charges in the Intra-Industry Communications (\$1,810) and Staff and Committee Liaison (\$1,233) categories were for start-up work on the New Jersey Carcinogens Bill.
- (2) Staff time charges in the Intra-Industry Communications category also includes work on the Long Island well water problem.
- (3) Out-of-pocket expenses includes \$2,500 for revising/reprinting of the "PVC and Health" pamphlet.
- (4) Out-of-pocket expenses includes \$3,500 for type and printing of pamphlet^s needed in the PVC Conduit/NFPA assignment.