

# minutes



## EXECUTIVE BOARD MEETING

Maryland Room  
Mayflower Hotel  
Washington, D.C.

Tuesday  
September 15, 1987  
8:00 a.m.-3:00 p.m.

### ATTENDEES:

|                   |                                                   |
|-------------------|---------------------------------------------------|
| H.C. Andresen     | - Vinyl Council of Canada                         |
| R.D. Bitten       | - Lucidol, Div. of Pennwalt Corporation           |
| R. Church         | - Plastic Pipe and Fittings Association (in part) |
| Rose Mary Clyburn | - PPG Industries                                  |
| Peter de la Cruz  | - Keller and Heckman                              |
| Guy E. Disch      | - Occidental Chemical Corporation                 |
| Fred Fisher       | - Air Products and Chemicals                      |
| H.R. Flammer      | - Vista Polymers                                  |
| R.T. Gottesman    | - Vinyl Institute                                 |
| J. Heckman        | - Keller and Heckman (in part)                    |
| R.T. Kelly        | - CertainTeed Corporation                         |
| Robert D. Luss    | - Occidental Chemical Corporation                 |
| Ed Martinelli     | - BFGoodrich Company                              |
| Al Olson          | - BFGoodrich (in part)                            |
| Robert Petrich    | - Rohm and Haas Company                           |
| Willem Prinselaar | - European Vinyls Corporation                     |
| John Russ         | - Borden Chemical                                 |
| S.W. Schaefer     | - Occidental Chemical Corporation                 |
| Meredith Scheck   | - Vinyl Institute                                 |
| Edwin S. Schiffer | - Georgia Gulf Corporation                        |
| William Shoun     | - Dow Chemical Company                            |
| Carrie Solin      | - Rohm and Haas Company                           |
| Victor Struber    | - Argus Division, Witco Corporation               |

### I. OPENING OF MEETING

Mr. Schaefer convened the meeting at 8:00 a.m. and asked for self-introductions. He noted the attendance of representatives of the new affiliate members and urged their participation in Vinyl Institute committee and Executive Board activities. Mr. Schaefer indicated that the agenda for the meeting would be reordered to accommodate the 11:15 a.m. presentation of Richard Church, Executive Director of the Plastics Pipe and Fittings Association. He further noted that as the members of the Board would be in Washington for the SPI meeting and dinner, that the Vinyl Institute Board would reconvene following lunch if additional items for review and discussion remained.

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## **II. APPROVAL OF MINUTES**

Mr. Russ motioned that the minutes of the May 21, 1987 Executive Board Meeting (as included under Tab A of the briefing book for this meeting) be approved. The motion was seconded by Mr. Flammer and approved by voice vote. (Note: The minutes of the May 21, 1987 meeting were previously changed to reflect the attendance at that meeting of Peter L. de la Cruz, Keller and Heckman).

## **III. FINANCIAL REPORT**

Dr. Gottesman was asked to give the Treasurer's Report in the absence of Vinyl Institute Treasurer David Hall. He reviewed the Statement of Revenue and Expenditures for the fiscal year ending May 31, 1987 and a similar statement for the first two months of the current fiscal year (both contained under Tab B of the briefing book for this meeting).

Gottesman noted that John Maguire, the new Director of Finance for SPI, had provided him with this new format and commented that he believed that it would be of assistance to the Board in making financial decisions. Gottesman reminded the Board that the fund balance from the previous year of \$204,008 needs to be clarified in that projects which were approved during Fiscal Year 1986-1987 were not finalized during the fiscal year (i.e., the New York State Energy Research and Development Authority Incinerator Project). Mr. Luss commented that the legal expenditures were running in excess of budgeted levels, but that this item was being monitored and at this point, it is likely that the yearly total will be in line with this budget category.

There being no further discussion/comment, the financial report was approved as presented.

## **IV. ISSUES AND SUBJECTS FOR EXECUTIVE BOARD DISCUSSION AND/OR ACTION**

### **A. ISSUES**

#### **1. Fire and Combustion Toxicity**

##### **a. New York State Toxicity NEMA Program**

Mr. Flammer reviewed the activities that resulted from the unanimous decision at the May 21, 1987 Executive Board Meeting to approve participation in the generic fire/combustion toxicity test program. He noted that further background material was included in the program section of the briefing book for this meeting. Mr. Flammer stated that notwithstanding the lack of eligibility of the Vinyl Institute to participate in the program as revised by NEMA that his company had chosen individually to participate.

He reviewed for the Board the preliminary results of the tests conducted by A.D. Little and noted that it now seems likely that PVC will be treated as a single class. He commented that New York state officials have recently indicated that anyone that participated in the NEMA Program will be approved.

Mr. Flammer thanked the Board for their support of his request (as included under Tab K of the briefing book for this meeting) to financially support the development of LC50 classes data at Underwriter's Laboratories. Mr. Flammer reviewed for the Board the contents of the data on the work done to-date that have been forwarded to New York State and stated that a reply is expected from the State in approximately six weeks. Lastly, Mr. Flammer commented that the Technical Committee is to meet on September 18th and will discuss and review the technical information and any follow-up that they believe is necessary.

Jerome Heckman, Vinyl Institute general counsel, stated that New York intends to keep all data generated "secret" and that the State is under no obligation to establish classes under the strict reading of the law. Mr. de la Cruz, Vinyl Institute assistant counsel, commented that the State is expected to be under pressure to release the data in its files. Gottesman noted that the State is under pressure to move forward by the December 16, 1987 deadline for the first group of products.

b. Cross-Linked Polyethylene

Dr. Gottesman reviewed the activities since 1984 of Union Carbide in promoting their Ucarsil-based cross-linked polyethylene (XLPE) vs. polyvinyl chloride (PVC) in wire, cable and conduit operations. He elaborated on the material included in the August 27, 1987 letter he prepared at the request of Mr. Schaefer, which is included under Tab L of the briefing book for this meeting.

Gottesman further noted that the issue had also been discussed in detail at the September 14th Market Development Committee Meeting. Mr. Disch, Chairman of the Market Development Committee, reviewed the discussions that had taken place at that meeting and noted that the Committee recommended the following course of action:

1. That a meeting(s) be held involving two or three Vinyl Institute Board members at the earliest possible date with senior policymaking officers at Union Carbide.

2. Frederic Clarke, Vinyl Institute Code Consultant prepare in consultation with Alan Olson (VI Market Development Committee Code Liaison and a Technical Committee Representative to be named) a thorough analysis of the type of testing and projected cost to defend PVC should Union Carbide offer amendments to the 1990 National Electrical Code in November at the beginning of its codemaking cycle. Mr. Disch noted that if these proposals are made in November 1987, that they would not be published until February 1988 as part of the official NFPA NEC publication.

Following an extensive discussion of this issue, the Board unanimously agreed to adopt the proposals of the Market Development Committee, and to move forward on an expedited basis. On behalf of the Vinyl Institute Executive Board, Mr. Schaefer and Mr. Flammer will pursue further contacts with Union Carbide.

c. Activity in Other States

Mrs. Scheck noted that, as indicated under Tab I of the briefing book for this meeting, the only state in which there is current "activity" is Massachusetts, which has created a Commission on Fire Safety, Combustion Toxicity and Combustibility. Scheck noted that the approach to be taken by the commission is to examine the issue from the perspective of total fire hazard analysis. Scheck also commented that while no other state was currently doing anything, that it is believed that other states are only waiting to examine the implementation of the New York State Program and that identical proposals may be introduced in several state legislatures next year.

2. Solid Waste Management

a. Incineration - NYSERDA Pittsfield Study

Dr. Gottesman stated that copies of the final report on "Results of the Combustion and Emissions Research Project at the VICON Incinerator Facility" were distributed to the Executive Board on August 25th. He noted that as a result of interviews involving Dr. William Carroll of Occidental, Vinyl Institute Technical Committee Project Leader, and Dr. Joseph Visalli of NYSERDA, that material has appeared in the plastics trade press. Gottesman added that Edward Howard and Company, Vinyl Institute public relations counsel, will continue efforts aimed at gaining broader circulation. Mr. de la Cruz stated that the report has been given to both the United States Food and Drug Administration and the United States Environmental Protection Agency for their further use in the pending PVC-rulemaking.

b. Recycling

Dr. Gottesman updated the Executive Board on the September 3rd meeting involving SPI President Chuck O'Connell, Plastics Recycling Foundation (PRF) President Robert Weis, and PRF Executive Director Wayne Pearson and himself to discuss PRF funding and technical interchange between PRF and the American Plastics Recycling Center. (Note: Details on the American Plastics Recycling Center and New England CRInc. were included under Tab M of the briefing book for this meeting). Gottesman noted that the individuals at that meeting were in agreement that the activities should be coordinated and not duplicative.

Dr. Gottesman gave a brief report with slides on operational commingled plastics recycling operations in Europe which he visited during a June trip to Europe to meet with the Association of Plastics Manufacturers in Europe (APME).

c. Communications

Dr. Gottesman noted that the Communications Committee would be considering, at its next meeting (September 22nd) the revision of the Vinyl Institute brochure "Plastics In The Waste Stream". This had been previously discussed at the Committee's meeting and it was decided at that time to defer revisions until the completion of the NYSERDA Study.

B. REGULATORY AGENCY ACTIVITY

1. FDA - Status of PVC Packaging Proposal

Mr. Heckman distributed a September 15, 1987 memo to the Vinyl Institute Executive Board updating the Board on comments filed with FDA in June by the Public Citizen Litigation Group and the Environmental Task Force. This material supplemented is contained under Tabs H and O of the briefing book for this meeting. Heckman also discussed additional comments filed by VI counsel as well as the July 6th meeting with officials at the U.S. EPA to review an advance final copy of the NYSERDA Report.

Mr. Heckman noted that the "options paper" referred to in his report is expected to be on the desk of the FDA Commissioner shortly. He noted that as an internal staff document this "options paper" is not available to the public.

Mr. Heckman recommended that the Board consider two additional steps:

- a. The filing with FDA of any technical information on the state-of-the-art concerning the recycling of PVC, and
- b. That a meeting be requested to involve the Commissioner, high-level representatives of industry, with such meeting open at the Commissioner's discretion to representatives of the Public Citizen Litigation Group and Environmental Task Force.

The Board had an extensive discussion on the effects of continued delay on the finalizing of the proposed rule and on the recommendations for action suggested by counsel. In response to questions concerning other suggestions, Mr. Luss reviewed the June 15th meeting held with company representatives having government relations responsibilities and noted their willingness to help when so directed by the Board. Mr. Schiffer urged a need for rapid action as the delay has caused downturn in markets during an otherwise excellent economic period for the industry.

It was the consensus of the Board that Counsel implement his recommendations.

2. California Proposition 65

Mr. Heckman updated the Board on the implementation of California Proposition 65. (Note: Additional background material on this issue was included in the General Counsel's report included under Tab H of the briefing book for this meeting). Heckman summarized recent activities of the Council for Labeling Uniformity, a group of 65 organizations involved in the drug and food packaging area whose goal is to achieve affirmative federal preemption. Mr. Heckman stated that at the present time, he had no recommendations regarding SPI going to court on this issue, but noted that should a special suit be necessary, it would be likely that SPI would look to the Vinyl Institute and the Polymeric Materials Producers Group for financial support. Additionally, he noted that the time-frame on this is relatively short, as the law is required to be implemented by February 1988.

3. Environmental Protection Agency (EPA)

Mr. de la Cruz stated that as an update to the material included under Tab P of the briefing book for this meeting regarding settlement discussions with EPA, the 1986 amendments to the Vinyl Chloride Standard, Mr. Roos-Collins of EPA has indicated that there does not appear to be any reason why the settlement discussions should not go forward. Mr. de la Cruz added that a decision is not likely before the end of September and that there will be no enforcement actions during this period on items under negotiation. Counsel also reviewed

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EPA's interpretation of the decision by the U.S. Court of Appeals in the NRDC v. EPA case. (Note: Additional background information on these issues was included under Tabs Q and R of the briefing book for this meeting).

4. Occupational Safety and Health Administration (OSHA)

Mr. Luss reviewed the substance of the discussions that occurred during the August 24th meeting with OSHA, involving Messrs. de la Cruz, Grumbles (Vista) and Gottesman. Mr. Luss noted that material is also contained under Tab S of the briefing book. Mr. Luss stated that it is the intention of OSHA to clear-up the Hazard Communication Standard issue first before addressing issues related to the vinyl standard. Luss further reported that OSHA has asked that we provide them with monitoring data and industrial hygiene data to show that users of PVC resin are not subject to exposure to VCM. Luss stated that once this data is provided, he is hopeful that OSHA will send a notice to their regional offices to the effect that PVC resin is not subject to the Hazard Communication Standard.

C. MARKET DEVELOPMENT ACTIVITIES

1. Packaging Council Subcommittee

Ms. Carrie F. Solin, Chairman of the Packaging Council, gave an audio visual presentation on the current activities of this group. The presentation included a review of the market research survey being conducted by Cambridge Associates. Solin noted that this survey was undertaken to develop benchmarks for the group relative to planned promotional activities and noted that a final report is due October 12th. Solin also reviewed the exhibit booth for the International Bottled Water Association trade show on October 7-10th and the current status of the brochure promotional on PVC packaging. Solin noted that the group was scheduled to meet on September 21st to review these programs. On behalf of the Board, Dr. Gottesman thanked her for her efforts.

2. Report On California EIR

Mr. Olson reviewed the status of the California Environmental Impact Report on Plastic Pipe. He noted that there are two health issues - solvent cement exposure and leaching. The Governor's office has indicated that there will be no further testing on solvent cement as it is an issue of safe use and proper disposal. On the other health issue, leaching, Olson noted that the state leaching tests performed at U.C. Berkeley are very similar to the Vinyl Institute research at McKesson; and further, that the CH<sub>2</sub>M Hill risk assessment work is favorable to CPVC. Olson noted that the risk assessment review has been presented to the U.S. EPA Office of Drinking Water

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and will be presented September 16, 1987 to the National Academy of Sciences. Olson stated that there is likely to be a contract with Stanford Research Institute in October-November, with 3 to 6 months needed for the preparation of a draft EIR.

Lastly, Olson noted that there is a meeting of the Ad Hoc Pipe Resin Producers' Committee scheduled for September 21st to discuss the current status and future plans.

3. Other Market Development Activities

Mr. Disch noted that there were other subjects discussed at the September 14th meeting of the Market Development Committee that he wished to discuss at this time.

- a. A recommendation that a generic information piece be developed by the Vinyl Institute on PVC for use by marketing and sales staff with customers in the wire and cable markets.
- b. In Mr. Snider's absence, Dr. Gottesman highlighted some of the marketing publicity projects underway, as described under Tab C, including a series of direct mail brochures and a spec-data information sheet. The former were developed based upon the results of the survey of residential building professionals conducted by Public Attitudes on behalf of the Vinyl Institute. There will be four brochures, each focusing on key attributes of vinyl products. The latter project, done with the cooperation of the Vinyl Window and Door Institute, will result in a generic information sheet being included in the Construction Specifier's Index.

V. DISCUSSION OF VINYL INSTITUTE PIPE STRATEGY AND PRESENTATION ON PROGRAMS OF THE PLASTIC PIPE AND FITTINGS ASSOCIATION (PPFA)

A. BACKGROUND

Dr. Gottesman stated that at the direction of the Vinyl Institute Executive Board he had invited Richard Church, Executive Director of PPFA, to this meeting to make a formal presentation that would include:

- An overview of PPFA.
- A discussion of PPFA's principal programs.
- The activities which PPFA sees as prominent and requiring action during the coming year.
- The reasons behind the recent PPFA assessment increase for resin producers.

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As background discussion prior to the presentation by Mr. Church, Gottesman reviewed for the Executive Board liaison activities that have occurred over the last several months. Specifically, he noted that he had signed on behalf of the Vinyl Institute, a contract with Innovative Fire Testing Technical Services of Berkeley, California to conduct fire endurance testing of PVC pipe behind steel-studded walls. He noted that this contract had been signed after agreement reached in June during a visit to IFT with a representative of R & G Sloane, on behalf of the PPFA. The contract was signed following an agreement that the testing program would be equally shared. As discussed in the Market Development Committee Report (included under Tab F of the briefing book for this meeting), Gottesman was advised on August 27th by Richard Church that PPFA would not be able to fund their portion of the program. Gottesman noted that IFT had begun preliminary tests and that expenditures in this program had already been incurred.

Mr. Disch noted that the Market Development Committee had also discussed in detail, the status of the program at the Uni-Bell PVC Pipe Association (as discussed under Tab U of the briefing book for this meeting). Mr. Disch commented that the committee continued to have a great deal of difficulty in assessing the impact of this program on actual increases in sales in market areas not heretofore open to PVC. Additionally, Disch noted that Uni-Bell has undergone a change in membership over the last two years, with the principal domestic producer being a division of a non-Vinyl Institute member company. Mr. Disch, as further background prior to the presentation by Mr. Church, reviewed for the Board the suggested action plan developed at the September 14th Market Development Committee meeting - that a special task force be formed to examine a long term strategy relative to the pipe market and industry association support. Others who agreed to help with this review, included Disch, and representatives of BFGoodrich, Borden and CertainTeed.

**B. PRESENTATION BY RICHARD CHURCH OF PPFA**

Mr. Church thanked the Board for the opportunity to participate in their meeting and then briefed them on the activities, structure, and current membership. He noted that there had been a change in the processor members recently, and this contributed to the decision by the PPFA Board to increase the assessments of the resin-producer members.

At the conclusion of Mr. Church's presentation and question and answer period, Mr. Schaefer asked Mr. Church if he would return to the Board meeting at the conclusion of lunch and a period for discussion for the Vinyl Institute Board.

C. BOARD DISCUSSION

During this portion of the meeting, the Board had a full and frank discussion regarding the current structure of the various pipe associations, Vinyl Institute member company participation in those organizations, and addressed the approach recommended by the Market Development Committee. Mr. Martinelli stressed the extreme importance of this market segment to the vinyl industry. Mr. Flammer noted the importance of proceeding on an expedited fashion to develop an approach as financial commitments were currently ending. Mr. Schaefer stated that from his perspective, the decision to be reached by the Board was whether the current arrangement was satisfactory or whether the Vinyl Institute should begin to do more itself in this market segment. Mr. Andresen noted that the Vinyl Council of Canada had conducted a similar review in the recent past and concluded that the members of the VCC were best served by bringing the pipe programs "in house".

At the conclusion of the discussion, Mr. Schaefer asked for a consensus of the group on how best to proceed. Mr. Flammer suggested that the Board adopt the recommendation of the Market Development Committee that Ms. Clyburn chair a special task force to develop a long-term strategy, with a final report complete with recommendations presented to the Executive Board at its December 9th meeting. There being no comments to the contrary, this action plan was adopted. Mr. Church was then invited back to the Board Meeting and was briefed on the decision of the Board to proceed with this review.

VI. OTHER ISSUES NOT INCLUDED ON THE AGENDA FOR THIS MEETING

A. CONTAINER CODING

Dr. Gottesman stated that he wanted to apprise the Vinyl Institute Executive Board that the SPI Board of Directors would be asked during its September 18th meeting, to approve a policy endorsing the development and implementation of a container coding program. Mr. Prinselaar noted that European Vinyls Corporation has examined the use of a "generic" coding notation, i.e., "recyclable plastics". He cautioned that a specific resin content coding system could prove to put the vinyl industry on the defensive. Ms. Scheck reviewed the ten-state meeting on the issue of coding of plastic containers (as detailed under Tab I of the briefing book for this meeting), and noted the very strong push for the implementation of such a program coming from the state legislatures. The Board noted its support of SPI adopting a policy on coding, with the proviso that any system developed be generic in nature.

B. FIRE LITIGATION UPDATE

Mr. Luss updated the Board on the activities related to litigation arising from the Dupont Hotel fire in Puerto Rico. Luss reviewed

in detail the list of those who have been served to date and the claims made against them. Luss stated that the defendants would be deposed in October, further discovery could occur in November, and that others could be named through January. Luss reviewed the founding and organization of the Center For Public Resources. He noted that this group will be meeting on September 22nd to review current strategy and defense position. Mr. Luss noted that to date, three resin companies have spent approximately \$200,000. He noted that if additional companies decided to join, he will be pleased to serve as a contact.

## VII. VINYL INSTITUTE OPERATIONS

### A. AFFILIATE MEMBERS

Dr. Gottesman noted that in addition to those companies listed in the Board Book for this meeting as being approved for affiliate membership, that M & T Chemicals and the Lucidol Division of Pennwalt Corporation had also joined. Mr. Schaefer noted that it was now up to the Board to make certain that this new structure was effective. Dr. Gottesman noted that since there are now five affiliate members, the bylaws require that they be balloted to select a voting representative to the Vinyl Institute Board. He reported that Dr. Robert Petrich of Rohm and Haas Company had volunteered for this position. Dr. Gottesman stated that a ballot will be distributed within the next week. Mr. Schaefer reiterated the Board's desire to have the full and complete attendance and participation of affiliate members at committee meetings and at all Executive Board Meetings.

### B. NEXT BOARD MEETING

Dr. Gottesman noted that the next Board meeting is scheduled for December 9th in New Orleans and that full details on this meeting would be mailed to the Board shortly. He further added that several of the committees had also planned to hold meetings in and around December 9th in New Orleans.

### C. ANNUAL MEETING

Dr. Gottesman noted that a presentation on suggested locations would be made at the December 9th meeting for approval by the Board. However, to accommodate the schedule of Mr. Prinselaar, asked that the Board agree to change the dates to May 12th and 13th. It was agreed that this date appeared to be satisfactory and that should it prove a problem to anyone, that they would contact Dr. Gottesman the week of September 21st.

### D. COMPUTER PURCHASE

Dr. Gottesman presented the Executive Board with information and approximate costs (\$6,000) for the purchase of an IBM System II computer and associated printer for the Vinyl Institute offices.

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He noted that as the SPI has no capital budget at this time, Mr. Maguire (Finance Director of SPI) suggested that the Vinyl Institute purchase the computer and that the VI would be appropriately reimbursed at a later time. A motion to approve this budgeted item was made by Mr. Russ and seconded by Mr. Martinelli, and agreed to by voice vote. Mr. Schiffer and others volunteered to provide cost estimates through their vendors.

There being no further business, Mr. Schiffer made a motion that the Executive Board Meeting be adjourned at 3:30 p.m.. The motion was seconded by Mr. Flammer and approved by the Board.

Respectfully submitted,

Meredith N. Scheck

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