minutes

SPI

VINYL INSTITUTE EXECUTIVE BOARD

International Club
1800 K Street
Washington, DC

Wednesday
March 5, 1986
9:00 a.m.

ATTENDEES

Bart DiLiddo, BFGoodrich, CHAIRMAN
Hal Andresen, Vinyl Council of Canada
Victor Bonanni, Air Products
Peter Cornes, ICI
Guy Disch, Tenneco Polymers
Fred Fisher, Air Products
Rick Flammer, Vista Polymers
David H. Hall, BFGoodrich
W.C. Holbrook, BFGoodrich
Don Hunter, Tenneco Polymers
Robert D. Luss, Occidental Chemical
Charles Montgomery, Georgia Gulf
Michael O'Mara, BFGoodrich
John L. Russ, Borden Chemical
Robert C. Sander, Air Products
Steven W. Schaefer, Occidental Chemical
Bill Shoun, Dow Chemical
George R. Snider, BFGoodrich
Ron Taylor, Dow Chemical
Fred Timpe, CertainTeed
Todd C. Walker, Borden, Inc.
Dave Wallis, PPG

Peter de la Cruz, Keller and Heckman
Jerome Heckman, Keller and Heckman
Roy T. Gottesman, Vinyl Institute
Meredith N. Scheck, Vinyl Institute

OPENING REMARKS

The meeting was opened by Dr. Bart A. DiLiddo, Chairman of the Executive Board, at 9:15 a.m. DiLiddo asked for self-introductions and asked that considering the length of the agenda that individuals making presentations not repeat material already included in the Briefing Book. He then requested Vinyl Institute staff to excuse themselves while the Executive Board conducted a brief executive session to discuss personnel matters. The Executive Board meeting reconvened at 9:30 a.m.

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.
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APPROVAL OF MINUTES

Mr. Steven W. Schaefer motioned that the minutes of the December 4, 1985 meeting of the Executive Board found in the Briefing Book for this meeting under Tab A be approved. The motion was seconded by Mr. Robert Sander. The minutes were approved by voice vote without correction.

FINANCIAL REPORT

Status of Expenditures Through January 31, 1986

Mr. Robert Sander, VI Treasurer, reviewed the material included under Tab B of the Briefing Book reflecting a Statement of Financial Position as of February 1, 1986 and a Budget Analysis by Expenditure Category. Sander noted that the financial position indicated that all expenditures are in line with the budget as approved, with the exception of the legal area.

Projection of Finances Through May 31, 1986

Dr. Roy Gottesman reviewed a projection of finances to the end of the current fiscal year as found under Tab C of the Briefing Book. Gottesman noted that the Technical Committee reviewed anticipated expenditures on all technical projects at a February 4, 1986 meeting. Sander stated that at this time it appears that there will be a small degree of carryover to next fiscal year and that there will be no need for additional assessments to fund current projects.

Preliminary Discussion of Budget for FY 1986-1987

Dr. Roy Gottesman noted that the Committee chairmen, with the exception of Mr. Luss, met on February 5, 1986 to review current projects and discuss future program requirements so as to give the Executive Director and the Executive Board an initial budget projection for Fiscal Year 1986-87 at this meeting. Gottesman reviewed the material (attached to the minutes) noting that the expenditures for all committees is anticipated to be approximately $772,000; with the total projected expenses to be $1,113,000. Gottesman further stated that with the anticipated changes in sources and level of income, except for any changes in capacity reported, that regular member' dues should be approximately the same as in the current fiscal year.

Dr. DiLiddo, as VI representative to the SPI Board, noted that the SPI Board had asked all Divisions to hold their cost levels at the same level for next fiscal year as they have been for the past year. DiLiddo noted that following discussions with the Executive Director he has submitted a letter to O'Connell asking that the level of the SPI contribution to the VI be $191,000 for FY 1986-87, such amount reflecting level funding for next year plus a projected savings of $31,000 to SPI from space no longer being utilized at 355 Lexington Avenue and other costs associated with the office being in New York. Gottesman noted that he had provided the same information to Mr. Peter Agnew, SPI Vice President for Finance and Administration in January. Gottesman and DiLiddo stated that neither had received a response to their budget submission letters.

During the discussion period that followed the presentation of all of the budget material outlined in the three areas above, DiLiddo noted that he feels that there is now a good opportunity to expand joint funding of technical programs with European companies/associations. Dr. O'Mara, VI Technical Committee Chairman, agreed and indicated that he will pursue this approach on a project-by-project basis.

Sander urged the Board and its Finance Committee to look at a two-year budget cycle. Sander stated that he believes that such an approach will be useful as the Vinyl Institute moves to a pro-active, market development approach.

Flammer noted that the initial budget projections for next fiscal year do not include a "contingency" account and noted that he believes the Finance Committee should consider this in reviewing the material and developing a proposed budget for the Executive Board to consider and ratify at the May 28, 1986 Annual Meeting. Flammer further asked when the VI may expect to be informed of what it may expect in terms of support from SPI for next fiscal year. Gottesman responded that the SPI Finance Committee was scheduled to meet March 24 to review all budget numbers. The Board had a brief discussion of what the VI companies contribute in total to SPI; Heckman noted that the SPI dues also goes to other divisions in which the VI members participate, although admitting that much of these activities is also self-funded.

There being no further discussion on the Financial Report, DiLiddo asked the Executive Board to consider Gottesman's recommendation that the Executive Director and the Finance Committee be authorized to develop and present a budget for FY 1986-87 that will require raising $800,000 from regular members and $40,000 from associate members. There was unanimous agreement to proceed. DiLiddo stated that the following item on the Agenda, dealing with Finance Committee membership, would be discussed following the report of the Nominating Committee.

COMMITTEE REPORTS

CODES AND REGULATORY COMMITTEE

Don Hunter, Chairman of the Codes and Regulatory Committee, expanded upon the material included in the Committee report included under Tab D. Hunter noted that the Committee had met on February 4, 1986 and discussed in detail the restructuring and redirection of the committee to a "Market Development Committee" to more effectively meet the goals of the VI Executive Board as discussed at the 1985 Annual Meeting. Hunter noted that the Committee, which would perhaps require new membership, would continue to have interests in the codes arena, but may wish to handle them in a different fashion.

Mr. Heckman noted that this committee may want to address new opportunities developing in the packaging industry, and that he believes there is a need for expert speakers at conventions such as Foodplas.

Hunter further noted that the Committee has received a proposal from Innovative Fire Technology to complete test work on pipe in steel studded walls. Hunter noted that Gottesman and Olson met with the proposal writer (Joe Zicherman) and urged him to explore partial funding and cooperation of other groups such as NEMA and PPFA. Gottesman stated that Zicherman had agreed to pursue joint funding and to respond with a status report to the VI.

Lastly, Hunter noted that the Executive Board would be receiving a separate request from the Uni-Bell PVC Pipe Association for VI participation in the regulatory education program. He noted that this was a revised program from that originally proposed by Uni-Bell and was endorsed unanimously by the Codes and Regulatory Committee at their February 4 meeting.

COMMUNICATIONS COMMITTEE

George Snider, Committee Chairman, briefed the Executive Board on the highlights of the Committee's activities since the last Board meeting and expanded on the report included under Tab E of the Briefing Book. Snider noted that the usage and attitude survey, of which results are expected by May 1986, will be useful not only in providing positive PR material, but also in helping other VI committees to focus programs in areas in which current information may be deficient or in which there may be market development opportunities.

Snider highlighted the recent and planned VI publications. Flammer noted that in addition to the VI dissemination of material he believes that the technical brochures "FACTS..." should be, where appropriate, also widely distributed individually by the VI member companies. Gottesman noted that in terms of AdVIsory, a few member companies had already forwarded mailing lists and urged other companies to do the same, to avoid the distribution of duplicate copies.

Snider indicated that at the conclusion of the Board meeting three short videotapes would be shown demonstrating the performance of vinyl as a fire retardant construction material, as water distribution pipe and as electrically non-conductive conduit. (These videotapes were later shown and were well received by the Board.)

In response to an inquiry from Flammer as to the status of the public relations contract, Snider stated that the account is now with Doremus account executives (and no longer within the Doremus/Marketshare agency) and is on a month-to-month retainer. Gottesman noted that other agencies are now being considered.

LEGAL COMMITTEE

Bob Luss, Legal Committee Chairman, referred to the outline of Committee activities in Tab F. Luss commented on a letter to the Occupational Safety and Health Administration on PVC MSDS (also discussed in the General Counsel's report included under Tab J). The issue, brought to the Committee's attention by a VI member, is that some OSHA field inspectors may believe that PVC is a carcinogen requiring specific statements on Material Safety Data Sheets as required by the OSHA's Hazard Communication Standard. Luss noted that this apparently resulted from the improper interpretation of studies by a contractor working on NIOSH's Registry of Toxic Substances. Luss states that Keller and Heckman has requested an opinion letter from OSHA that PVC is not a carcinogen under the Hazard Communication Standard and that Counsel believes they will receive an affirmative response.

Luss also noted that the new brochure on VCM has been reviewed and cleared by the Committee.

MANUFACTURING PRACTICES COMMITTEE

W.C. Holbrook, Committee Chairman, stated that in addition to the material referenced in the Committee report under Tab G of the Briefing Book, he was advised March 4 that the proposed revisions to NESHAPS are undergoing Executive Committee review at EPA headquarters. Holbrook noted that although the EPA target date for the NESHAPS proposal is August 1986, that industry ought not to anticipate publication prior to a ruling in the NRDC v. EPA case.

TECHNICAL COMMITTEE

Dr. Michael O'Mara, Committee Chairman, referenced the report contained in Tab H of the Briefing Book as well as the Technical program budget included in Tab C and reviewed by Gottesman. As an addition to the Waste Management Subcommittee report, O'Mara noted that the subcontractor on the NYSERDA project, MRI, had a budget overrun of 50 percent on Phase I and that negotiations between the contractor and MRI are underway with the goal of having MRI assume the additional above budget costs. Additionally, O'Mara noted that the parameters of Phase II of the study (relative to temperature, water, oxygen and feedstocks) have been identified.

O'Mara apprised the Board that material from the VI sponsored medical research program had recently been used before the National Fire Protection Association Toxicity Committee during hearings to assess the removal of the three-story limitation on the use of ENMT. O'Mara noted that this Committee has now reviewed the issue twice, once specifically at the request of the American Iron and Steel Institute, and that the VI work along with research done by Benjamin and Clark for Carlon was considered to be significant by NFPA. Final action on the current restriction will occur at the May meeting. O'Mara noted that this is an important example of how research can be used to affect decisions that have an impact in the marketplace.

COMPANY PARTICIPATION IN COMMITTEES

DiLiddo asked the Executive Board members to review the chart demonstrating individual company participation in VI committees as shown under Tab I. DiLiddo urged Board members to consider appointing representatives to Committees where they may have someone on staff who has expertise that could be well utilized by the VI, particularly on committees where the company has no present representation.

PROPOSAL FOR RESTRUCTURING THE CODES AND REGULATORY COMMITTEE

DiLiddo asked the Board for their concurrence in the renaming and restructuring of the Codes and Regulatory Committee to the "Market Development Committee" as previously discussed by Don Hunter. There being no disagreement, the proposal was approved.

RENAMING OF THE MANUFACTURING PRACTICES COMMITTEE

DiLiddo noted that the Manufacturing Practices Committee Chairman had requested that the Committee be renamed to more accurately reflect the nature of its activity. There being no disagreement by the Board, the Committee was renamed the "Health, Safety and Environment Committee."

LEGAL COUNSEL'S REPORT

Jerome Heckman, VI General Counsel, prefaced his report to the Executive Board with brief personal comments regarding the participation in and tenure of Bart DiLiddo in the SPI.

Heckman reviewed the contents of the Counsel's February 21 report to the Executive Board as contained under Tab J of the Briefing Book. Heckman highlighted the contents of the February 3, 1986 action by the Food and Drug Administration to a) withdraw the 1975 proporal to prohibit the use of rigid and semi-rigid PVC food contact articles and b) propose a new rule to govern all food contact uses of PVC. Heckman commented on what counsel recommends that the comments incorporate. VI member companies along with other affected SPI divisions will be asked to review draft comments sufficiently prior to the April 4 deadline to allow member companies, if they desire, to reference the SPI comments in their own submittals. Additionally, Heckman outlined the general thrust of the comments that the FDA is likely to receive for interested parties, and indicated that it is his wish the comments of the docket not depart philosophically from the general direction that FDA has taken.

Peter de la Cruz updated the NRDC v EPA segment of the Counsel's report. De la Cruz noted the composition of the 3-judge panel hearing the February 26 oral argument. De la Cruz stated that there are two other cases dealine with Section 112 to be heard this year and that it could be late this year or next year before the court reaches a decision in this case.

Relative to the Pittsburgh litigation, de la Cruz noted that there has been no further activity in Pittsburgh regarding the case filed by Tom Mistick & Sons challenging the Pittsburgh ordinance banning certain pipe uses. However, on the political front, it was noted that Ben Woods, the original sponsor of the ordinance, has been elected to the position of City Council president.

In addition to the written report, Heckman also commented on the product liability insurance crisis affecting industry and urged companies, where appropriate, to discuss this issue with their outside legal counsel. He further commented on the role SPI is taking in the legislative review of product liability reform proposals.

Lastly, counsel commented on recent report in the Washington, D.C. media concerning lead in drinking water in Montgomery County, Maryland public schools. Counsel agreed to ascertain correct information and transmit same to VI staff for appropriate action.

EXECUTIVE DIRECTOR'S REPORT

Roy Gottesman referenced the Executive Director's Report contained under Tab L of the Briefing Book.

Additionally, Gottesman noted the planning session on February 5 involving the VI committee chairmen and a decision to turn activities toward a pro-active position. The input from this meeting was used to prepare the anticipated budget for next fiscal year as reviewed earlier during the meeting by Gottesman.

On other items Gottesman noted that he, George Snider, Alan Olson (BFGoodrich) and Don Goodman (Tenneco Polymers) had visited McKesson Labs in mid-February to review the metal pipe leachate testing program being conducted under contract with the VI and to discuss preliminary findings. Gottesman noted that a report on this work should be available to the VI by May 1.

Gottesman states that the Ad Hoc Pipe Permeation Committee (PPI, PPFA, and the Uni-Bell PVC Pipe Association) met February 25 to discuss and review a draft of an industry position paper. Referencing earlier comments by Don Hunter on the Innovative Fire Technology proposal, as authorized by Joe Zickerman, Gottesman reviewed the potential importance of testing PVC in metal studded walls and noted that Zickerman had agreed to review the proposal with PPFA. Gottesman noted that at this time he was building approximately $20,000 into next fiscal year's proposed budget should the additional funding sources develop.

LEGISLATIVE AND REGULATORY UPDATE

Meredith Scheck expanded upon the February 18 status report included under Tab K, making specific comments on legislative proposals in the solid waste/recycling area in the states of New Jersey, California and Kentucky. Scheck also noted that all SPI division directors have been formally requested by O'Connell to give updates on SPI Issues Management Committee activities. Scheck noted that in the future such reports would be given at the Executive Board meetings either by VI staff or by VI representatives to the IMC Committee (it was noted that Schaefer currently serves on the SPI IMC Committee).

For the purposes of this meeting, Scheck stated that the SPI Board had endorsed at its last meeting the following IMC proposals:

- A policy developed by the International Trade Affairs Committee of IMC endorsing the concept of the forthcoming U.S.-Canada trade talks and sets forth six principles to help SPI representatives in their dialogue with U.S. negotiators.

- The formation of a broad-based coalition of companies and association to develop and disseminate information about the plastics point of view on the solid waste issue. Scheck said that the organizational meeting for this coalition is tentatively scheduled for March 31 (note: the meeting was later rescheduled for April 1).

Scheck forther noted that Freeman had indicated at the February 21 SPI State Government Affairs Committee meeting that the proposed budget he is developing for the IMC budget would have some $183,000 of IMC Technical and PR budget targeted as seed money for projects in the solid waste management areas. The SPI would initially bear the costs and staffing of such a coalition, until more formal organizational structure/methods of funding are developed.

- The study on the plastics industry and its effect on the economy prepared by Probe Economics under contract with SPI is now completed and booklets highlighting the findings will be developed and are to be widely distributed. The IMC is also examining the formation of an SPI-member advisory group to help provide guidance on any future economic issues/analyses.

NOMINATING COMMITTEE REPORT

DiLiddo noted that Item 2 on the Addendum to the Briefing Book contained information related to the formation of a Nominating Committee for the purpose of nominating a new Vice Chairman and new Treasurer. It was noted that this action was made necessary by DiLiddo's pending retirement from BFGoodrich and Sander's change of assignment within Air Products.

Flammer, Chairman of the Nominating Committee, stated that he and Messrs. Timpe and Walker had convened a meeting and proposed the following individuals to work with the new VI Executive Board Chairman, Steven W. Schaefer:

Vice Chairman:	H. Richard Flammer
Treasurer:	Fred Timpe
Secretary:	Ron Taylor will continue in this capacity

Sander made a motion to accept the report of the Nominating Committee. The motion was seconded by Wallis and unanimously adopted by the Board. This slate of officers will serve until the end of FY 1986-1987, i.e. May 31, 1987. In addition to the dinner honoring Dr. DiLiddo held on the evening of March 4, 1986, special thanks were also given to Bob Sander and Guy Disch for their service to the Vinyl Institute Executive Board. Appropriate certificates were presented.

OLD BUSINESS

Formosa Plastics Update

Dr. Roy Gottesman reviewed the material included in the program and under Tab M in the Briefing Book relative to the January 8, 1986 VI letter to Delaware Governor Michael N. Castle. There was unanimous agreement that the VI should adopt the second option presented, i.e., to pursue further contact with the Governor's office. Gottesman suggested that an appropriate task force to meet along with him and the Governor and his staff would include: W.C. Holbrook, Chairman of the Health, Safety and Environment Committee; J. Ledvina, Vista; F. Borrelli, Georgia Gulf's Delaware City Plant Manager.

California EIR on Plastic Pipe

George Snider, Chairman of the Ad Hoc Pipe Resin Producers Committee, updated the Board on the fund raising necessary for completion of the California EIR. Snider reviewed the history of the issue dating from October 1980. Explaining why additional financial support is needed, Snider noted that the EIR, which is expected to endorse the safety of plastic pipe for water distribution and DWV, cannot be completed without the completion of the work being done by the general contractor (Stanford Research Institute International - SRI). Snider noted that an additional $185,000 is needed for completion of the work this year, and approximately $50,000 to cover administrative and legal costs, so that an EIR could be finalized by Spring 1987.

Walker commented that industry has already spent some $400,000 on the project and that it is important that the project be completed. Gottesman asked the Board members what their intentions were regarding support. There was a general consensus that the industry should fund such a project and that the easiest and most efficient mechanism for this to take place would be through the VI.

(NOTE: During lunch a motion was made by Walker and seconded by Montgomery that the Executive Director should develop bills for the Executive Board members to financially support the completion of the EIR with such individual assessments being allocated on the same basis as the VI dues assessment structure. The motion was approved by voice vote.)

Uni-Bell PVC Pipe Association

Dave Eckstein, Technical Director, presented a proposal for a cooperative program involving the VI and the Uni-Bell PVC Pipe Association, as outlined under Tab N of the Briefing Book. Gottesman noted that this presentation was a follow up to discussion at the May 1985 Codes and Regulatory Committee meeting and the January 9, 1985 meeting of the VI Executive Board at which a previous proposal for an agreement between the two groups was considered. There being no dissenting discussion, the recommendation of the Codes and Regulatory Committee to undertake this joint, cooperative pro-active program was endorsed by the Board and the Finance Committee was directed to consider this item of $50,000 per year in its development of the FY 1986-1987 budget. Eckstein was thanked for his presentation, and Gottesman indicated that he would be in contact regarding timing of the VI participation and the initial meeting.

NEW BUSINESS

Response to FDA Proposal

(Note: This item was discussed as part of the Legal Counsel's Report)

VI Annual Safety Award

The three nominations that were received for the Second Annual Vinyl Institute Safety Award and included under Tab O of the Briefing Book were reviewed by the Executive Board along with the tally compiled by the Safety Subcommittee. A motion was made by Flammer and seconded by Montgomery to accept the Safety Subcommittee recommendation to make a presentation at the VI Annual Meeting to the Dow Chemical Company for a presentation on worldwide VCM storage and loading facilities including safety features and the risk to the community in the event of spills and gas releases.

VI Sponsored Technical Conference

Gottesman noted that in regard to the items included under Tab P of the Briefing Book dealing with the background for a VI-sponsored technical conference, that the Technical Committee had thoroughly reviewed the material at its February 4, 1986 meeting and recommended proceeding, with the assignment of Dr. O'Mara as general chairman. Gottesman noted that the details regarding meeting dates and general program would be in the Agenda of the Annual Meeting, and that the topics to be addressed include those listed in his December 27, 1985 letter to Dr. O'Mara included under Tab P.

Annual Meeting

Gottesman noted that the dates for the Annual meeting are May 27 and May 28, with a format similar to that used at the 1985 Annual Meeting. Regarding location, Gottesman noted that it was his intention to move the meeting out of the International Club in order to facilitate direct communications between the VI and location personnel due to problems with meeting arrangements. He asked for direction from the Board regarding location. There being no suggestion to the contrary, Gottesman noted that he would select another Washington, D.C. location for the VI Annual Meeting and for Board meetings for the next fiscal year.

There being no further business, the meeting was adjourned at 12:45. Gottesman noted that the videotapes described under item 10 of the program would be shown to the Executive Board members during the luncheon portion of the meeting.

Respectfully submitted,

Meredith N Scheck

Meredith N. Scheck

As Approved by R. Taylor, VI Secretary, 4-15-86