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Environmental Affairs

TO: R. D. Duncan
I. C. Klimas
W. B. Graybill
R. J. Samelson ✓
G. C. Strickler
W. J. Peard
J. E. Wyche

RE: U.S. v. PPG (Vinyl Chloride)

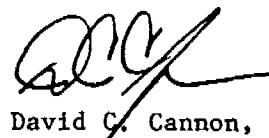
On September 20, 1984, I received a phone call from Rob Brager, our outside counsel in the Lake Charles vinyl chloride release litigation. As you recall, we had proposed to the Justice Department that the Conoco decision controlled the PPG litigation and that the government should stipulate to the following:

1. The Conoco decision holding that leaks and ruptures are not "exhaust gases" applies to the PPG pump failure and there is, accordingly, no need to litigate this issue in the district court.
2. All of the remaining claims, relating to the SRV releases, should be stayed pending the Fifth Circuit decision in the Ethyl case.

Justice has finally decided that it will not be appealing the Conoco decision and, accordingly, it is willing to enter into the stipulation which we suggested. This formally puts the litigation on hold. Prior to now it was stayed under an agreement between the parties and the judge. The Ethyl case has been scheduled for hearing on October 30, 1984 in Ft. Worth, Texas.

The latest I have heard on the new vinyl chloride regulations is that they will be proposed in February, 1985. As you may know, these new regulations adopt a numerical limit on the SRV releases and allow four releases per facility per year regardless of the circumstances or quantities.

I will let you know of any further developments.



David C. Cannon, Jr.

DCC/eb

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