Air Products

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INTEROFFICE MEMORANDUM

Date 16 DECEMBER 1975

Subject OSHA COMPLIANCE AFTER APRIL 1, 1976

To G. B. H. SPEED/E. A. PRIMEAU — CALVERT CITY/PENSACOLA (Location, Organization, or Department)

From J. T. BARR — VALLEY FORGE (Location, Organization, or Department)

cc: J. E. Greasel
~~R. E. Jones~~
J. D. Kramer
A. K. McMillan
G. F. Tillson
H. L. Watson

Mr. Carey would like to have the operating procedures that will be changed for OSHA compliance on April 1, 1976 revised in time that the operators have ample training before the changeover date.

Please advise me when you will have these revised procedures available.

J. T. BARR

/mjv

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R. E. JONES

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Air Products

C. Strubler 12-5

INTEROFFICE
MEMORANDUM

Date 25 NOVEMBER 1975

Subject COMPLIANCE WITH OSHA VINYL CHLORIDE STANDARD AFTER APRIL 1976

To T. L. CAREY — VALLEY FORGE (Location, Organization, or Department)

From J. T. BARR — VALLEY FORGE (Location, Organization, or Department)

cc: ~~R. E. Jones~~
J. D. Kramer
A. K. McMillan
E. A. Primeau
G. B. H. Speed
E. J. Steck
G. F. Tillson
H. L. Watson

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I have reviewed with the PVC plant superintendents their plans for operation under the second phase of the OSHA standard for vinyl chloride. It is their opinion that they will find it necessary to require masks to be worn most, if not all, of the time after April 1, 1976.

Area monitoring results are averaging between one and 2.5 ppm on a monthly basis. Daily averages for individual points show a wider range. Personal monitoring on an 8-hour TWA basis, without regard to respirators are running 60-80% below 1 ppm, with almost all below 5 ppm. Again, the shorter period results from 15-minute tests show higher figures. In view of the number of excursions recorded, and the known probability of short, high-concentration exposures before a monitoring system can recognize leaks, the superintendents believe that only the wearing of masks will give adequate assurance of compliance.

Several projects remain to be completed that will provide some improvement, but probably not enough. At Pace these include the expansion of the leak patrol system to give more frequent patrols, and further training and cross-training of the newer operators. That plant has just completed the installation of a waste-water collection system, and increased the elevation of the reactor relief piping. The expanded plant at Pace will contain many additional safeguards, but it is not scheduled for completion until the end of the year.

Calvert City is moving the monomer recovery system outside the building; this will be of great help, but this will not be in operation until September. That plant also is in the process of installing additional point source ventilation at the 19th reactor, increasing the elevation of the blend tank vent stack, improving the vent condenser portion of the recovery system, and installing relief valves after the rupture disks on the charge pots. High temperature alarms on all of the reactors are in the engineering phase.

One area of concern is the excursions seen in the PVOH and emulsion plants due to releases in the PVC operation at Calvert City. Efforts are underway to

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SUBJECT: COMPLIANCE WITH OSHA VINYL CHLORIDE STANDARD AFTER APRIL 1976

reduce these upsets by improving equipment and instruments, and by operator training, but we need further improvement here before April. The men in these plants are supplied with masks, and the area alarms will be set at 5 ppm in April.

J. T. BARR

/mjv

DENT — *Negotiations require an approach "that is adapted to the political and economic situation in which we find ourselves."*

and other countries that seek linear tariff cuts.

But circumstances are changing. The Europeans are less insistent on a *harmonization* approach; and the U. S. is taking a softer line on linear cuts. (Harmonization involves trimming a number of tariffs by varying amounts to achieve a relatively lower level; linear reductions mean an across-the-board slash of a fixed percentage).

Furthermore, U. S. industry is telling Mr. Dent and the other U. S. negotiators that it is more concerned about nontariff barriers (NTB) to trade than the tariff items. Business is asking the bargainers to look at the quality of the tariff cuts—as well as the quantity—with an eye toward making tradeoffs against the more onerous NTBs.

Trade points — Among the other elements of the U. S. program: a "framework" for rationalizing export subsidies and countervailing duties; a draft statement on health, safety, and other standards which can block trade; a means for liberalizing import quotas; and a set of principles for a "safeguard" that will let countries temporarily moderate imports when traditional markets are upset.

"There is a considerable amount of joint analytical work to be done, and a considerable effort to be made to develop a common understanding of mutual problems and opportunities related to trade," Mr. Dent reminded his colleagues.

"The fact that our economies have not fully recovered cannot excuse us from completing this work, although we fully recognize the need for an approach to our work that is adapted to the political and economic situation in which we find ourselves," he added.

Significantly, that comment was the closest the former Commerce Secretary got to a major concern of several of the participating nations: the 1976 U. S. Presidential election.

An impression has persisted since the preliminary GATT talks last spring that the Japanese and the Europeans would not bargain seriously until after November 1976—when it becomes clear whether President Ford and his trade strategy will still be around in 1977.

Relax rules—Another Ford Administration official, Treasury Secretary William E. Simon, wants action on another trade front. He has asked Congress to reconsider U. S. restrictions on export credits and nondiscriminatory tariffs for the USSR.

The Administration request comes at a politically sensitive time.

Unrest over detente with Moscow is growing in the U. S., and President Ford's challenger for the GOP Presidential nomination, former California governor Ronald Reagan, has taken a hard anti-detente line.

The trade controls were imposed in the hope they would encourage Russia, and other East European nations, to ease emigration policies — primarily for Jews seeking to go to Israel. That has not happened, most analysts of the USSR say.

But beyond the emigration matter, Mr. Simon indicated, the curbs have cost U. S. companies a considerable number of contracts. Just how many dollars worth have been lost to foreign firms the Treasury Dept. is now trying to calculate. Mr. Simon reported to Congress earlier this month that the Russians put the figure at $1.6 billion for the last nine months.

The Administration is making a low-key approach to Congress —not sending it draft legislation, but offering to work with the lawmakers on a measure to modify the current restrictions. Many legislators are reported ready to rethink the matter and to look for a formula that will open up commerce without making them also appear to be anti-human rights.

Timing will be critical for the White House. Agreement early next year on language liberalizing the curbs would not be politically harmful over the longer run. But, as even the most ardent backers of change concede, having the issue drag on until the summer conventions and then into the fall campaign could be serious. □

Steel tries to 'sell' price, capacity views

WAS IT an exercise in futility? That's the question steel industry executives may well be asking themselves in the wake of an unusual symposium on the industry's problems held by the Council on Wage & Price Stability (CWPS) last week in Washington.

At stake is the industry's ability to finance the capacity ex-

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R. E. JONES

pansion steelmakers say is necessary to meet future demand.

The council, in the minds of steel company executives, already has thrown one roadblock in the path of those expansion plans. Whether the industry's side of the story as expressed at the symposium will change conclusions about the industry already reached by the council, and thus prevent similar roadblocks in the future, is open to question.

The "roadblock" came in the form of a "Study of Steel Prices" which CWPS issued in July. It criticized steel price increases announced for Oct. 1 as unjustified in a depressed market, and contradicted most of the claims basic steel has been making on the need for and the cost of capacity expansion.

George C. Eads, CWPS assistant director and acting chief of the agency when the study was prepared, went so far as to say that "domestic firms can't be allowed to take advantage of their market power to raise prices during periods of weak demand" and then expect the government to protect them from foreign competition.

To the steelmakers, that was a clear danger signal that they would have a difficult time achieving the price increases and profit boosts they contend will be required to install 30 million tons of new raw steel capacity by 1983 at a cost of $2.4 billion a year.

The conclusions of the council's study were: profits, cash flow, and access to capital markets are adequate to finance the needed expansion; the expansion requirement over the next five years is only 15 million tons; and the cost of adding that capacity by "round out" will average only $900 million per year.

It is those conclusions, and their supporting arguments, that steel industry executives attempted to counter during the one-day Washington meeting.

Errors—Steel company representatives pretty much restated the objections to the council's study that they had made previously: its 15 million ton estimate is based on a "simplistic" method of extrapolating the long-term trend of raw steel output; it makes no provision for replacement capacity or pollution abatement spending; it makes an error in arithmetic in pegging the industry's cash flow in 1973-74 at a $3.4 billion average, rather than the actual $2.8 billion.

By contrast, Frederick G. Jaicks, chairman of both Inland Steel Co. and the American Iron & Steel Institute (AISI), characterized the AISI's own capacity expansion needs study as detailed, exhaustive, and specific.

Mr. Jaicks says the AISI's industry capacity figure for 1976 is 158 million to 159 million tons. He notes that if domestic mills had not shipped 8 million tons from inventory in 1973-1974 the industry's raw steel capacity then of 155 million tons would not have been enough to produce the 111.4 million tons delivered in 1973 and the 109.5 million shipped in 1974.

George A. Stinson, chairman, National Steel Corp., asserts: "Industry is not saying you must give us money to expand. We're not asking for an expansion surcharge. But if we're not permitted by reason of government policy to realize profit levels close to the average of American manufacturing, then we'll have a difficult time competing in the capital market for expansion funds."

The value of the symposium, in Mr. Stinson's view, was to enable the council and others to assess "whether we're talking through our hats." He adds: "It is beyond their competence to tell us . . . how we should expand."

Some 23 million tons of new capacity has been announced in the last year for installation by 1980. Some two-thirds of that will be through rounding out of existing facilities. Some of those projects already have been subject to "stretch out" by steel firms and, executives say, the remaining one-third is subject to nearly daily review as to their feasibility at current profit margins. □

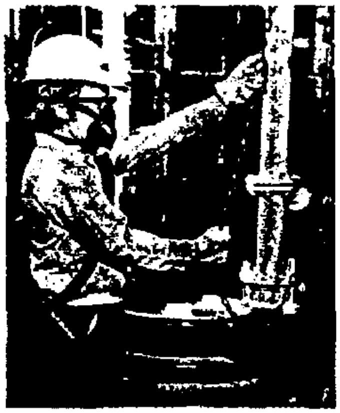
PVC makers expect to meet OSHA rules

IN THE TWO YEARS since vinyl chloride was found to be a cause of liver cancer in workers, substantial progress has been made in reducing employee exposure to the chemical.

Next April, final Occupational Safety & Health Administration (OSHA) rules limiting average individual worker exposure to 1 part per million (ppm) of vinyl chloride take effect. Since April 1, 1975, workers have not had to wear respirators to limit their exposure — if the vinyl chloride in a plant's air was kept below 25 ppm. By April 1976, however, respirators or other means must be used to meet the 1 ppm level.

It now looks as though polyvinyl chloride (PVC) makers will be able to meet those rules. (PVC is made from vinyl chloride monomer, and is in turn used to make a wide variety of products.)

The main PVC producer, B. F. Goodrich Co., with 20% of the U. S. output, will end up spending some $42 million to protect workers in its five PVC plants. Containment programs are keeping average levels of vinyl chloride at its plants between 1 ppm and 3 ppm in work-area air. Goodrich points out that these are average levels, and that individual employee exposure is considerably lower.



Even though workplace concentrations of vinyl chloride have been cut sharply, respirators may be needed some of the time.

Two technical developments are helping the company to reach those levels.

One is a scrubbing process that produces PVC resin with such low levels of residual vinyl chloride that firms making end products from the resin probably will not have to take special steps to protect their workers from excessive exposure.

The other tackles a knotty problem in making PVC itself. Reactor vessels used to make PVC had to be cleaned frequently, a job resulting in high exposure levels for workers. Goodrich is now using a coating on the reactor walls that reduces both the frequency of cleaning required and the amount of unreacted vinyl chloride gas remaining in the vessel.

Other producers have also effected solutions. Tenneco Chemicals, Saddle Brook, N. J., revealed earlier this year that it had developed a technology that removes over 98% of the residual vinyl chloride in PVC resins. And Robintech Inc., Fort Worth, claims it can meet all federal regulations with an oxyphotolysis process that keeps vinyl chloride in plant air below the 1 ppm level. ☐

Supreme Court shuns air stand~~ards appeal~~

INDUSTRY's campaign for greater consideration of the economic aspects of antipollution requirements was ~~dealt a~~ blow ~~earlier this month~~ by the U. S. Supreme Court.

The high court refused to review a lower court ruling which upheld the Environmental Protection Agency's (EPA) actions in setting air emission standards for new cement plants.

A pivotal question in the case —which prompted a brief by the National Assn. of Manufacturers (NAM) — was whether EPA must conduct cost-benefit analyses in promulgating standards for new plants. In essence, the District of Columbia Circuit Court of Appeals had endorsed EPA's contention that such analyses aren't required or justified.

In its brief, NAM noted that the issue is of "great concern" to many industries subject to federal New Source Performance Standards. It argued that the Clean Air Act provisions dealing with new sources do require cost-benefit studies.

The district court ruling, NAM said, allows the EPA administrator to "ignore or reject all evidence relating to cost versus benefit" and to "predicate emission standards essentially on environmental considerations, as long as the involved industries are able to 'bear the costs and survive.' "

The Portland Cement Assn., which initiated the suit against EPA, argued that the cost of meeting the standards was grossly disproportionate to the environmental benefits. An association analysis indicated that the EPA regulations would impose a 20% cost increase to achieve an emissions reduction of 1/10 of 1%.

"The circuit court very cavalierly brushes the economic issue aside," contends Daniel W.

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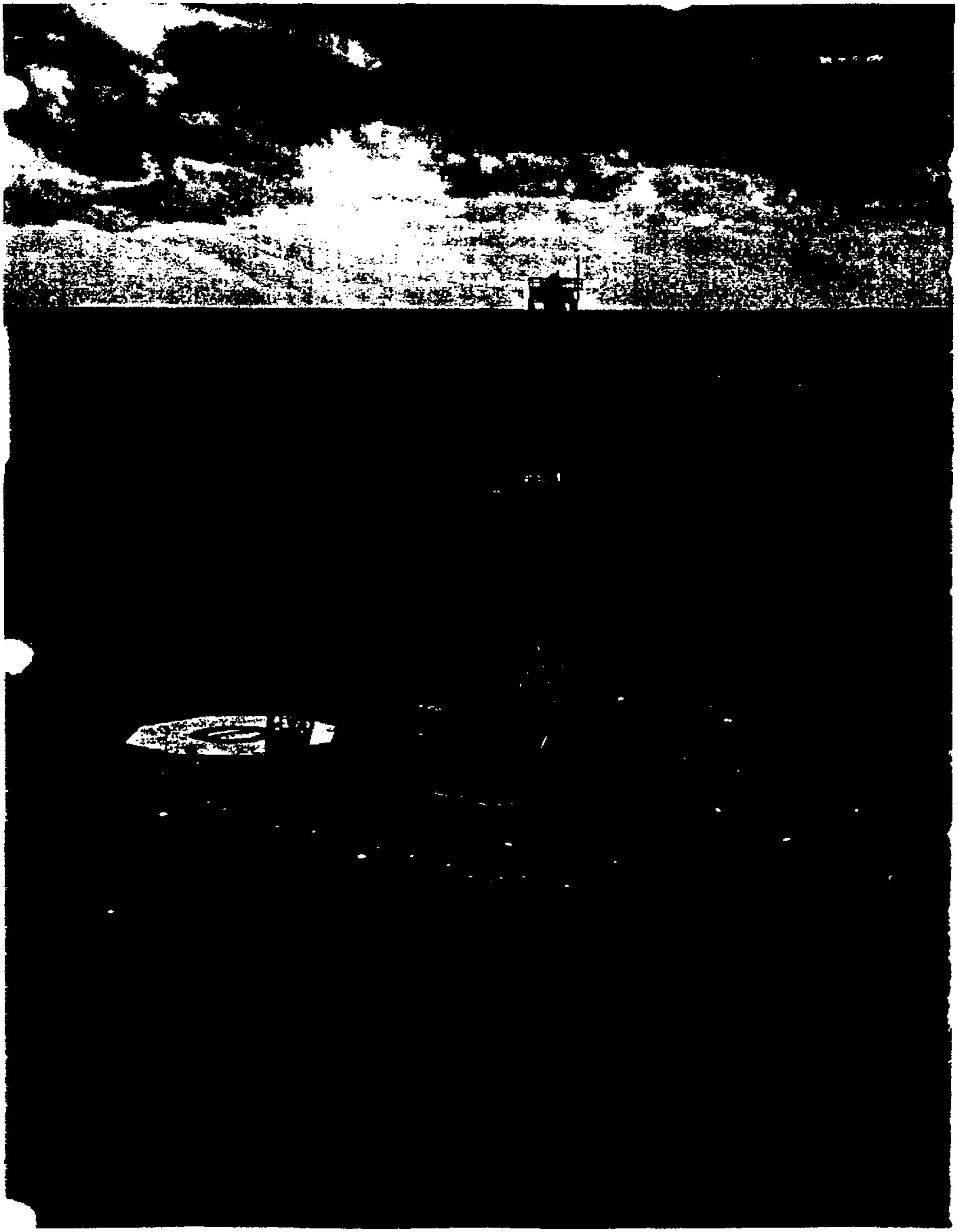

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