

BFGoodrich

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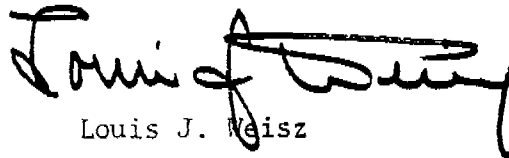
TO DISTRIBUTION:

Vinyl Institute - SPI Executive Committee Meeting
New York - July 29, 1982

On Thursday July 29, representatives of the Vinyl Institute met with the Executive Committee of SPI to describe the Industry's plans for the Institute, and to discuss its proposal that the SPI act as the umbrella organization for the Institute. Enclosed, for your information, you will please find my understanding of the proceedings.

I have also enclosed that part of the presentation describing the Industry's plans for an Institute, and its proposal for association with the SPI.

Very truly yours,


Louis J. Weisz

LJW:1bb

Enclosures

Distribution:

D. Boller	J. Langford	G. R. Snider
B. A. DiLiddo	G. Lazarchik	D. Goodman
G. Disch	J. Long	B. Suthers
H. R. Flammer	A. Mack	J. Thomas
R. Gervais	C. Montgomery	F. Timpe
H. J. Hall	R. Poulin	T. Walker
T. F. Harrison	R. C. Sander	W. Ware
J. Johnson	E. Scott	L. Wheeler
R. A. Krueger	F. C. Smith	F. Whitley

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VINYL INSTITUTE/SPI EXECUTIVE COMMITTEE MEETING

New York, July 29, 1982

MINUTES

Representatives of the Vinyl Institute met with the Executive Committee of the SPI on Thursday, July 29. Plans for the Institute were described to the Committee, as was its proposal that the SPI act as umbrella organization for the new organization. Flammer of Conoco, Disch from Tenneco, and DiLiddo of Goodrich participated in making the presentation. The presentation was favorably received by members of the Committee present, several of whom said they were pleased with the obvious attempt on the part of the Institute to accommodate the interests of the SPI. While a number of the members said they saw no impediments to the relationship suggested, others did express some concerns. The two areas which provoked the most discussion were first, the fact that the Institute would not require its members to also belong to the SPI, and second, the reporting responsibilities of the Institute staff.

With regard to the first, a few of those present expressed concern that some members of the Institute, presently members of the SPI, might resign from the latter. They also felt that some companies not presently members of the SPI, who elect to join the Institute, will see even less reason to join the SPI in the future.

In response, it was pointed out that in addition to active encouragement by the Institute to interest members in combined membership, the bylaws of the Institute will also be structured to encourage such membership. The encouragement to be provided by the bylaws was described as involving a restriction on voting rights. Members of the Institute, not also members of the SPI, will be free to participate fully in all Institute matters, including membership on the Board and on Committees, including the right to vote in such bodies. Voting on issues coming before the full membership, however, will be restricted to the right to vote only on matters impacting such members financially, e.g., budgets, dues, special assessments, and the like.

With respect to the reporting relationship, some present were concerned that if the Institute staff were not controlled by the SPI, some action taken by it might contravene SPI policy, or involve something not in the best interest of the SPI. This could be a source of considerable embarrassment for the SPI.

In answer, it was explained that a matrix type organization is envisioned by the Institute. Responsibility for matters such as hiring, firing, salaries, the setting of policies, and the general direction of staff effort will be vested in the Institute Board.

Administrative matters on the other hand, such as for example, the allocation of office space, the supply of administrative services, the payment of salaries, provision for pension benefits, and similar items, would be handled by the SPI. Those present were assured that the Executive Director of the Institute would coordinate fully with the President of the SPI, and that the Institute Board will see to it that policies of the two organizations do not conflict with each other.

While some of those present appeared to retain at least some degree of concern, most appeared to be reassured, or at least neutral on the issues raised. It was recognized by all present, however, that the Executive Committee meeting was

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not the proper forum for discussing and working out details of the umbrella relationship proposed. Consequently, the Executive Committee agreed to adopt the Institute's proposal that each organization appoint a small negotiating team to represent its interests, and that two teams meet in the near future to work out and agree on details. Munger, President of the SPI was asked to do this for the SPI, and Weisz for the Institute. All present agreed that completing details of the relationship will require accommodation by both organizations, possibly including some modification of the SPI bylaws. All also agreed that association of the two organizations makes sense, that working out a mutually acceptable relationship does not pose an insurmountable problem, and that we should move forward as soon as possible.


L. J. Weisz

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THE VINYL INSTITUTE

AN ACTION PLAN

JULY 29, 1982

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THE VCM/PVC INDUSTRY IS FACED WITH A BROAD LIST OF ALLEGATIONS IN THE CONDUCT OF ITS BUSINESS AND THE USE OF ITS END PRODUCTS.

SLIDE #1

AS YOU MAY KNOW, THOSE ALLEGATIONS INCLUDE THE FOLLOWING ISSUES: THE EXPOSURE OF EMPLOYEES AND THE PUBLIC TO VCM IN ITS MANUFACTURE AND TRANSPORTATION, AND IN THE MANUFACTURE OF PVC; RESIDUAL VCM IN THE PRODUCT; AND THE DISPOSAL OF BY-PRODUCTS. IN END USE APPLICATIONS, THERE ARE ISSUES ON THE COMBUSTIBILITY OF PVC; ON THE EXTRACTION OF COMPOUNDS FROM PVC; THE TOXICITY OF PLASTICIZERS AND STABILIZERS; AS WELL AS OTHERS.

SLIDE #2

TODAY THESE ALLEGATIONS ARE BEING ADDRESSED BY A MYRIAD OF ORGANIZATIONS--MANY WITHIN SPI, SOME OUTSIDE OF SPI. THE PVC/VCM INDUSTRY IS SPENDING MILLIONS OF DOLLARS EACH YEAR IN SUPPORT OF THESE ORGANIZATIONS AND IN CONNECTION WITH THESE ALLEGATIONS. THE COMPLEXITY OF ISSUES AND THE NUMBER OF ORGANIZATIONS INVOLVED HAVE FREQUENTLY RESULTED IN AN UNCOORDINATED, INEFFICIENT EFFORT, AND OF COURSE, THE WASTE OF MANY DOLLARS. WE IN THE INDUSTRY NEED TO BRING ORDER TO THIS CHAOS. WE PROPOSE TO DO THIS BY ESTABLISHING A VINYL INSTITUTE TO BETTER ORGANIZE, MONITOR, AND CONTROL THE INDUSTRY'S ACTIVITIES IN RESPONDING TO THESE ALLEGATIONS.

SLIDE #3

TO BE EFFECTIVE FOR THE INDUSTRY, THERE ARE CERTAIN REQUISITES THAT THE INSTITUTE MUST MEET. IT MUST BE RESPONSIVE TO ISSUES, QUICK AND DECISIVE IN ITS ACTIONS, AND KNOWLEDGEABLE ABOUT THE INDUSTRY AND ITS PRODUCTS. THE INSTITUTE MUST BE AN ORGANIZATION WITH A SINGLE PURPOSE--THAT IS, AN ORGANIZATION DEDICATED TO THE VINYL INDUSTRY'S INTERESTS, THE BEST INTERESTS OF THE PUBLIC, AND ABLE TO ACT ON THOSE INTERESTS. IT MUST HAVE A DEDICATED STAFF, A STAFF WHOSE ONLY RESPONSIBILITIES ARE VINYL, AND FINALLY, MEMBERSHIP IN THE INSTITUTE MUST BE OPEN TO ALL INTERESTED PARTIES, IRRESPECTIVE OF OTHER AFFILIATIONS.

SLIDE #4

THE MISSION OF THE INSTITUTE WILL BE TO PROMOTE CONTINUING GROWTH FOR THE PVC/VCM INDUSTRY IN THE U.S., AND TO SERVE THE BEST INTERESTS OF THE PUBLIC BY PROVIDING SOCIALLY VALUABLE PRODUCTS. THE INSTITUTE'S OBJECTIVES WILL BE TO (1) IDENTIFY ALL ISSUES OF POTENTIAL CONCERN TO THE PVC/VCM INDUSTRY, (2) PRIORITIZE AND EFFECTIVELY DEAL WITH THESE ISSUES, (3) INTERACT WITH OTHER TRADE ASSOCIATIONS TO EFFICIENTLY USE INDUSTRY RESOURCES AND (4) BECOME THE SPEAKING ORGANIZATION FOR THE PVC/VCM INDUSTRY TO ASSURE PUBLIC UNDERSTANDING OF THE MERITS OF INDUSTRY PRODUCTS.

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SLIDE #5

TO MEET THESE OBJECTIVES, THE INSTITUTE MUST HAVE ITS OWN PERMANENT STAFF, INCLUDING AN EXECUTIVE DIRECTOR, A SECRETARY, AND UP TO TWO FULL TIME MANAGERS. IT WILL SERVE AS THE INDUSTRY FOCAL POINT FOR THE COORDINATION OF THE INDUSTRY'S EFFORTS IN ADDRESSING ISSUES AS THEY DEVELOP. ITS RESOURCES WILL INCLUDE PURCHASED SERVICES FROM AN UMBRELLA ORGANIZATION, OUTSIDE ORGANIZATIONS, PLUS THE COMMITTEES SHOWN HERE. THE COMMITTEES WILL BE HEADED AND STAFFED BY INDUSTRY PEOPLE. THEY WILL BRING TO THE INSTITUTE THE EXPERTISE REQUIRED IN ADDRESSING SPECIFIC ISSUES.

THE EXECUTIVE DIRECTOR WILL BE RESPONSIBLE FOR THE OVERALL OPERATION OF THE ORGANIZATION, THE IDENTIFICATION OF ISSUES, FOR ESTABLISHING PRIORITIES BASED ON THE MEMBERS' INPUT, FOR DETERMINING WHAT SERVICES AND RESOURCES ARE NEEDED BY THE INSTITUTE, AND FOR ARRANGING THEIR SUPPLY AND DEPLOYMENT. HE WOULD REPORT TO THE BOARD OF DIRECTORS. WE HOPE THAT THE INSTITUTE CAN FIT UNDER THE UMBRELLA OF THE SPI. IN THAT CASE, THE EXECUTIVE DIRECTOR OF THE VINYL INSTITUTE WOULD COORDINATE WITH THE PRESIDENT OF THE SOCIETY TO ASSURE THAT THE GOALS AND OBJECTIVES OF BOTH THE INSTITUTE AND THE SOCIETY ARE MET. OF COURSE, THE RELATIONSHIP WITH

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THE SPI WOULD BE STRUCTURED TO ALLOW THE INSTITUTE TO MEET THE REQUISITES EARLIER DESCRIBED.

SLIDE #6

INITIALLY, ACTIONS OF THE INSTITUTE WILL BE LARGELY DEFENSIVE. WHILE ITS ACTIVITIES WILL BECOME MORE POSITIVE, NEAR TERM, ESTABLISHMENT OF A QUICK RESPONSE CAPABILITY IS NEEDED, TOGETHER WITH MORE ACTIVITY IN LEGISLATIVE AND CODE AREAS. LONGER TERM, THE INSTITUTE NEEDS TO GET THE "PLUSES" OF THE INDUSTRY'S PRODUCTS TO THE PUBLIC. THE INSTITUTE AS DESCRIBED PROVIDES THE VEHICLE FOR DOING THIS.

THE OPPONENTS OF PVC ARE PRESENTLY BETTER ORGANIZED THAN THE INDUSTRY. THEY HAVE BEEN SUCCESSFUL AS A DISRUPTIVE FORCE. WITHOUT A COORDINATED INDUSTRY RESPONSE, THESE ADVERSARIES WILL RESTRICT AND UNDERMINE INDUSTRY MARKETS, ELIMINATE GROWTH POTENTIAL, AND CONTINUE TO MISINFORM THE PUBLIC. THE INDUSTRY MUST GET ITS STORY TOLD. IT IS A GOOD STORY, ONE THAT IS SUPPORTABLE TECHNICALLY AND ECONOMICALLY, AND ONE THAT IS IN THE BEST INTERESTS OF THE PUBLIC.

SLIDE #7

WE HAVE TALKED ABOUT THE ISSUES, THE MANY ORGANIZATIONS CURRENTLY ESTABLISHED TO ADDRESS THEM, THE NEED TO EDUCATE THE PUBLIC ON THE ISSUES,

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AND THE NEED FOR A NEW ORGANIZATION TO PULL IT ALL TOGETHER. NOW WE WANT TO TALK ABOUT THE FUNCTION OF THE UMBRELLA ORGANIZATION, WHICH WE WOULD LIKE TO BE THE SPI.

WE BELIEVE THE INSTITUTE AND THE SPI HAVE MUCH TO OFFER EACH OTHER. WHILE THE INSTITUTE WILL HAVE ITS OWN STAFF, IT WILL NEED MANY ADDITIONAL SERVICES WHICH THE SPI CAN PROVIDE. THESE INCLUDE, FOR EXAMPLE, OFFICE AND ADMINISTRATIVE, LEGAL, INFORMATIONAL DATA BANK ACCESS, A DISASTER INVESTIGATION TEAM, AND MANY OTHERS. FOR ITS PART, THE INSTITUTE CAN HELP FUND THESE SPI ACTIVITIES, WHICH FOR THE MOST PART ARE IN PLACE ALREADY, AND REDUCE THE FINANCIAL BURDEN FOR ALL SPI MEMBERS. FURTHERMORE, THE CLOSE ASSOCIATION OF THE SPI AND THE INSTITUTE WILL HELP ASSURE A UNITED FRONT AGAINST COMMON THREATS, AS WELL AS ADDITIONAL RESOURCES TO MEET THEM.

THE INSTITUTE HAS NO WISH TO DIMINISH MEMBERSHIP IN THE SPI. TO THE CONTRARY, WHILE INSTITUTE MEMBERSHIP WILL BE OPEN TO ALL, IT WILL ENCOURAGE ITS MEMBERS TO ALSO BELONG TO THE SPI. IN ADDITION, THE INSTITUTE BYLAWS WILL BE STRUCTURED TO REINFORCE THIS ENCOURAGEMENT. WHILE NON-SPI MEMBERS OF THE INSTITUTE WILL HAVE THE RIGHT TO PARTICIPATE FULLY IN ALL ACTIVITIES OF

THE INSTITUTE, INCLUDING THOSE OF ITS BOARD AND COMMITTEES, THE RIGHT TO VOTE ON ISSUES COMING BEFORE THE GENERAL MEMBERSHIPS WILL, EXCEPT FOR MATTERS WHICH HAVE FINANCIAL IMPACT ON NON SPI MEMBERS OF THE INSTITUTE, BE RESTRICTED TO THOSE MEMBERS OF THE INSTITUTE WHO ARE ALSO SPI MEMBERS. WE UNDERSTAND THAT THE SPI ITSELF IS ATTEMPTING TO TAILOR THE SERVICES IT PERFORMS FOR ITS MEMBERS TO ASSURE THE BROADEST POSSIBLE INTEREST IN THEM. THIS WILL ALSO ENCOURAGE INSTITUTE MEMBERS TO BE SPI MEMBERS SINCE INSTITUTE NEEDS AND FUNDING SHOULD CLOSELY PARALLEL SPI NEEDS AND FUNDING IN THE FUTURE.

WHILE THE STAFF OF THE INSTITUTE WILL REPORT TO THE INSTITUTE BOARD THROUGH ITS EXECUTIVE DIRECTOR, THIS SHOULD POSE NO PROBLEM FOR THE SPI. THE DIRECTOR WILL COORDINATE WITH THE SPI, THROUGH ITS PRESIDENT. IN ADDITION, THE INSTITUTE BOARD WILL DIRECT AND MONITOR INSTITUTE POLICIES. THIS WILL ELIMINATE THE POSSIBILITY OF CONFLICTS BETWEEN SPI AND INSTITUTE POLICIES. FURTHERMORE, WE SEE NO LEGAL PROBLEMS INHERENT IN THE REPORTING RELATIONSHIP, ASSUMING THAT NORMAL PRECAUTIONS ARE TAKEN, AS THEY WILL BE.

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SLIDE #8

NOW WHERE DO WE GO FROM HERE? ASSUMING AGREEMENT ON THE PART OF THE SPI TO FUNCTION AS THE INSTITUTE'S UMBRELLA ORGANIZATION, WE WOULD PROPOSE THAT AN SPI/INSTITUTE TEAM BE FORMED TO CONSIDER DETAILS OF THE RELATIONSHIP. THESE WOULD INCLUDE PRELIMINARY IDENTIFICATION OF SPI SERVICES NEEDED BY THE INSTITUTE, DETERMINATION OF A MEANS FOR IDENTIFYING COSTS ASSOCIATED WITH SUCH SERVICES. AND CONSIDERATION OF OTHER DETAILS OF THE RELATIONSHIP, FOR EXAMPLE, AVAILABILITY OF SPACE IN SPI OFFICES.

I WOULD NOW BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

PVC/VCM INDUSTRY ISSUES

VCM

- 0 TRANSPORT
- 0 HEALTH (OSHA/EPA)
- 0 (WASTE DISPOSAL)?

PVC RESIN

- 0 RESIDUAL VCM
- 0 MANUFACTURE HEALTH (OSHA/EPA)
- 0 WASTE DISPOSAL
- 0 GENERAL HEALTH-DUST/FIRE (WHSE)

APPLICATIONS

- 0 FLAME/SMOKE/TOXICITY
- 0 WASTE DISPOSAL
- 0 EXTRACTION
- 0 PLASTICIZER/STABILIZER
- 0 RESIDUAL VCM
- 0 EIR

INDUSTRY GROUPS

0 SPI

0 FOOD/DRUG
0 PROFILE EXT. DIVISION
0 P.R. COMMITTEE
0 PPI
0 PVC SAFETY COMMITTEE
0 VINYL SIDING INSTITUTE
0 VINYL WINDOW AND DOOR INSTITUTE
0 PMPD
0 PIPE RESIN PRODUCERS COMMITTEE
0 PAC

00 STATE GOVERNMENT AFFAIRS
00 CCCS
00 ENERGY TASK FORCE
00 PLASTIC RESOURCE RECOVERY AND CONSERVATION
COMMITTEE
00 PRODUCT LIABILITY
00 FEDERAL GOVERNMENT AFFAIRS

0 PLASTIC BOTTLE INSTITUTE
0 PLASTIC BEVERAGE CONTAINER DIVISION
0 VINYL FILM GP
0 VINYL FORMULATORS
0 TOXICOLOGY COMMITTEE
0 SHEET PRODUCERS MANAGEMENT DIVISION

0 PPFA
0 UNIBELL
0 RESILIENT FLOORING INSTITUTE
0 SPE
0 PEG
0 CMA

QUALITIES

- 0 REQUISITES
 - 00 RESPONSIVE
 - 00 QUICK
 - 00 DECISIVE
 - 00 KNOWLEDGEABLE
- 0 INDEPENDENT
- 0 DEDICATED STAFF
- 0 OPEN MEMBERSHIP

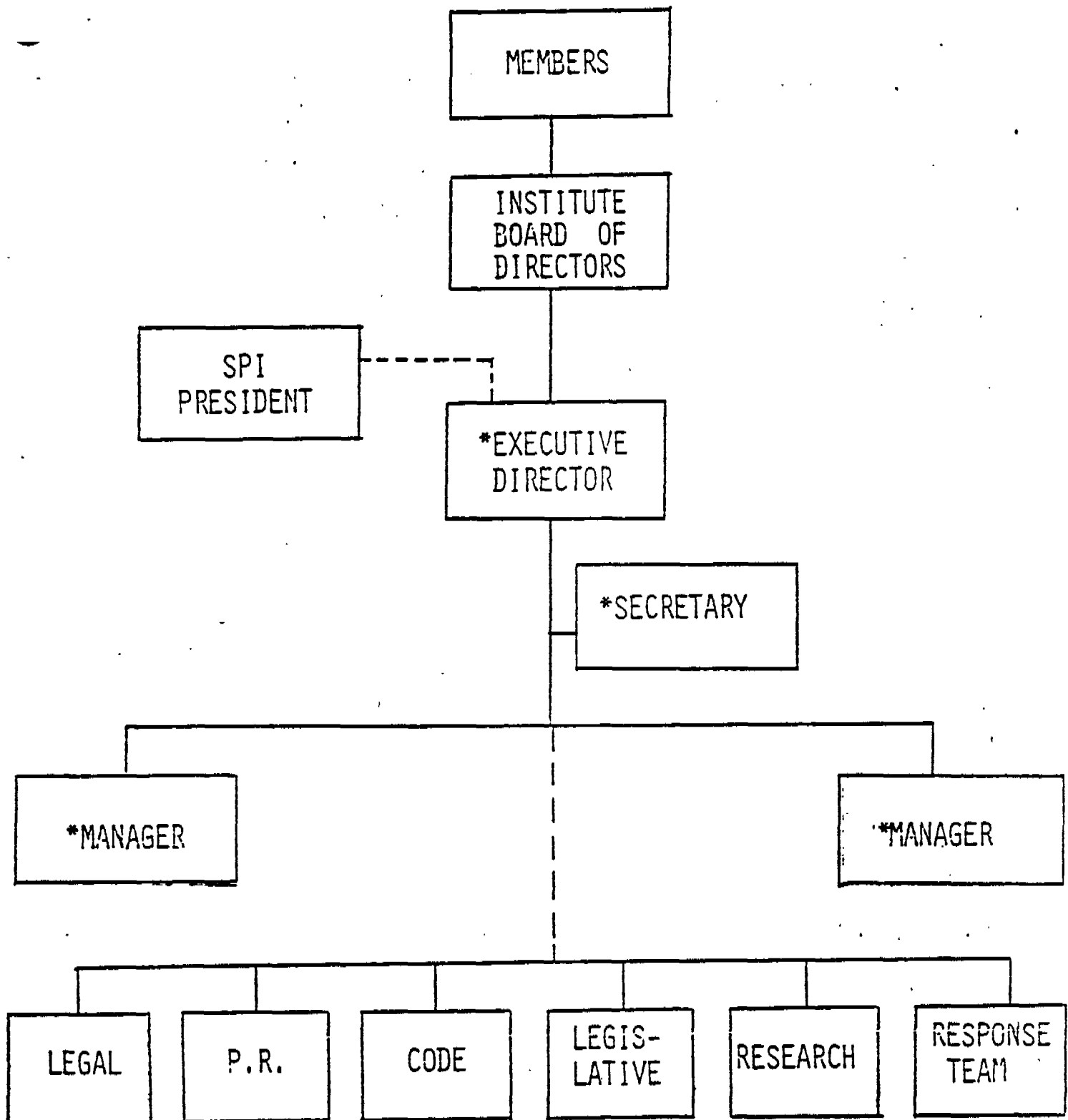
MISSION

TO PROMOTE AND PROTECT CONTINUING GROWTH OF THE PVC/VCM INDUSTRY IN THE U.S. AND SERVE THE BEST INTERESTS OF THE PUBLIC BY PROVIDING SOCIALLY VALUABLE PRODUCTS.

OBJECTIVES

- 0 IDENTIFY ALL ISSUES OF POTENTIAL CONCERN TO THE PVC/VCM INDUSTRY.
- 0 PRIORITIZE AND EFFECTIVELY DEAL WITH THESE ISSUES.
- 0 INTERACT WITH OTHER TRADE ASSOCIATIONS TO EFFICIENTLY USE INDUSTRY RESOURCES.
- 0 BECOME THE ORGANIZATION SPEAKING FOR THE PVC/VCM INDUSTRY.

VINYL INSTITUTE



PERMANENT STAFF

IMMEDIATE ACTION REQUIRED

- 0 RESPONSE CAPABILITY
 - EXPERT TEAM
 - INDUSTRY INFORMATION NETWORK
 - INVESTIGATION (FIRE - EMERGENCY)
 - MEDIA INTERACTION
 - EARLY WARNING SYSTEM
 - AFFIRMATIVE P.R.

0 CODE/LOBBYIST GROUP FORMATION

0 CALIFORNIA EIR

LONG TERM (CONCURRENT) ACTION REQUIRED

- 0 PUT TOGETHER P.R. "ROAD SHOW"
- 0 ARRANGE FOR POSITIVE PVC ARTICLES AND PAPERS
 - SELECT INDEPENDENT AND INDUSTRY PEOPLE TO PREPARE
 - DECIDE ON AND PREPARE ARTICLES
 - SELECT TARGET PUBLICATIONS
- 0 DEVELOP STRATEGY FOR EXPANDING CODES TO INCLUDE PVC

SPI RELATIONSHIP

- 0 THE INSTITUTE NEEDS SPI SERVICES.
- 0 SPI REVENUES FROM THE INSTITUTE WILL BENEFIT MEMBERS.
- 0 SPI AND THE INSTITUTE WILL ASSURE COMMON FRONT AGAINST THREATS.
- 0 THE INSTITUTE WILL ENCOURAGE SPI MEMBERSHIP.
- 0 REPORTING RELATIONSHIP OF INSTITUTE STAFF WILL PRESENT NO PROBLEMS.

ACTION STEPS

- 8 FORMATION OF SPI/INSTITUTE TEAM.
 - IDENTIFICATION OF SPI SERVICES.
 - DETERMINATION OF METHOD FOR ALLOCATING SERVICE COST.
 - OTHER DETAILS OF THE RELATIONSHIP.