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MEMORANDUM

Date: June 22, 1993

To: Bob Burnett
Meredith Scheck
Pat Benkner

From: Dave Meeker/Nora Jacobs

Subject: Issues Management Program Action Report
May 1993

Copies: VI Board of Directors
VIGOR
Communications Committee
Chairman of the Packaging Council
EH&Co. Issues Management Team

The following are significant developments during the reporting period:

Issues Management Committee Holds Organizational Meeting -- At the VI's Annual Meeting, May 24-26, the newly-formed Issues Management Committee (IMC), chaired by Fred Krause of The Geon Company, held an organizational meeting to discuss the group's structure and a preliminary list of activities that it might undertake. The first formal meeting of the group will be held in Washington D.C. on June 22.

IGCCA Works For Global Outreach -- The Communications Task Group of the International Group of Chlorine Chemistry Associations (IGCCA) has drafted a work plan for global outreach on behalf of chlorine chemistry for 1993-94. The group hopes to coordinate all communications activities and to employ a global strategy within each of the countries involved. Key elements of the work plan include a series of key messages; sharing of information and incorporating crisis management into communications; and regional teleconferences. As a first assignment, the group is working on a global approach to allegations of dioxin in the production process leveled by Greenpeace in Europe.

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VI Partners Begin To Network -- Members of the program are already carrying out assignments to get the vinyl story to the industry's important audiences. Scott Gabeline of Vista Chemical has made successful contacts in the Houston area with groups such as Clean Houston, the Texas Water Commission, Houston Public Works, and the Texas Recycling Coalition. According to Scott, he was very well received. Rick Farrington of American Mirrex sent a letter of introduction to the Commissioner of Toronto's Department of Public Works expressing his availability as an information resource regarding vinyl plastics. Pat Haugen of Vista Chemical recently alerted the VI to some disparaging (and inaccurate) comments regarding vinyl building products coming out of the American Institute of Architects. We are always looking for additional Partners to expand the program, and have just begun working with the Uni-Bell PVC Pipe Association to enlist the ranks of their membership.

VERCE Hotline Sets New Record -- The hotline handled 384 calls in May -- an average of 12 calls per day. The majority of the requests (354) were for the *Directory of Companies Manufacturing Products From Recycled Vinyl*, which is being reprinted with the names of additional companies and will be available in July. Other requests were for the "World of Packaging Solutions" brochure, the VI's Environmental Fact Kit (response to Greenpeace's "PVC: Toxic Waste in Disguise" packet), RFP information on becoming partners in promoting the use of recycled vinyl in new products, as well as numerous requests for vinyl recycling contacts and vinyl scrap sources.

VERCE Continues to Promote Recycled Products Directory -- The State of Maryland held its "Catch the Recycling Spirit" Conference on May 12-13 where VERCE supplied 250 flyers promoting the *Directory of Companies Manufacturing Products From Recycled Vinyl* and also arranged for Frank Borrelli of Georgia Gulf Corporation to be a speaker at the conference. Frank spoke to recycling coordinators, waste management managers and procurement officers on vinyl recycling and VERCE has already received positive comments on Frank's presentation, as well as additional information requests from attendees.

Vinyl in the News -- Ongoing media monitoring continues to show vinyl receiving positive coverage in 85 percent of the articles in May. Stories ranged from the use of vinyl as a control for erosion to the use of vinyl by Polaroid Corporation in a pump-container for its PolaClear cleaning solution for computer screen filters. While these types of articles remain the most prevalent, articles regarding environmental issues such as chlorine and dioxin represented 9 percent of the articles -- a jump from 1-3 percent in previous months. Ten of these 11 articles presented a negative view of the vinyl industry. These articles appeared in both daily newspapers and industry magazines.

Legislative Tracking Update

· The Society of the Plastics Industry, Inc. (SPI), on behalf of the vinyl and chlorine industries, successfully persuaded the U.S. House of Representatives Ways and Means Committee to exempt non-fuel uses of electricity from a British Thermal unit (Btu) tax. This exemption is necessary to these industries which use direct current electricity as

integral parts of the chloralkali process. If the exemption had not been accepted, the vinyl industry would have incurred an estimated 2.6 percent increase in the base cost of PVC.

· The North Carolina Senate hearing for SB 52, which would ban PVC containers as of January 1, 1994, was canceled by Senator Odom, sponsor of the bill. According to Richard Ryder of Klockner Pentaplast, who attended a recent Senate strategy meeting, the bill has already passed its cross-over date. There is an exemption, however, if it becomes a tax bill. The bill will have to receive 2/3 of the vote in the House of Representatives in order to proceed. Ryder believes the bill will not be active for the duration of the year.

Environmental Developments

· Greenpeace's report, "Dioxin Factories: A Study of the Creation and Discharge of Dioxins and Other Organochlorines from the Production of PVC," which was released April 27, calls for international efforts to: investigate organochlorine emissions from the production of raw materials; inform the public in communities near the factories of the "potential serious public health threat"; halt any proposed expansion of EDC/VCM/PVC production; and formulate plans involving major users, workers, and worker representatives to phase-out processes and products that generate organochlorines. The report specifically targets VCM facilities in Norway, Germany, the Netherlands and Sweden. The Vinyl Institute has prepared a response for its member companies in the event of media inquiries and a special technical task force of the VI is investigating an additional response to the report.

· The Flemish environmental group, Bond Beter Leefmilieu (BBL), has accused a French mineral water producer of misleading the public regarding the recyclability of its water bottle containers. The group filed protests with a Belgian advertising watchdog group and Belgium's Ministry of Economic Affairs, charging that the company had violated national law by indicating that its containers were made of recyclable PET. The BBL said that tests conducted on the containers revealed that the bottles were made of "non-recyclable" PVC. In contrast to their Belgian counterparts, most mineral water producers in France continue to use containers made out of PVC. The BBL is leading a campaign in Belgium to stop the use of PVC in packaging materials.

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