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August 6, 1980

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RECEIVED

AUG 11 1980

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Long, W.C.

Re: SPI-VCM/PVC Resin Producers Group; Potential
EPA Revision of NESHAPS for Vinyl Chloride

Dear Ross:

The purposes of this letter are (1) to provide you and the rest of the Group with a full report on a meeting Gary Baise and I attended with the Group's Manufacturing Technology Committee and various officials of the Environmental Protection Agency (EPA) and its contractor, TRW, on July 31, 1980; and (2) to deal, at least in a summary fashion, with what we consider to be basic issues that the vinyl chloride and polyvinyl chloride producers will need to face in the near future as a result of the way matters have and are currently developing. I might note at the outset that Gary and I have been in relatively constant contact on this entire situation since the middle of July, and that we have jointly come to the conclusion that the issues raised below would best be addressed at the scheduled September 25 meeting of the Steering Committee, with the possibility that a meeting of the full Committee might thereafter need to be convened for the purpose of fundamental decision-making.

As far as a report on the July 31 session with EPA and its contractor is concerned, we are enclosing herewith an excellent summary that Gary has prepared and supplied to us this week. In reviewing this report, my feeling is that it is fair to say that our Group went into the session

GENC 015983

Dr. A. R. Adams
August 6, 1980
Page Two

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with a collective open mind but also with some determination not to encourage the Agency to believe that the industry was willing to remain wholly passive vis-a-vis possible revisions of the current vinyl chloride standards. At the session we held prior to the meeting with EPA, and a shorter one after the meeting, we all agreed that if we had any assurance that the TRW study and recommendations might lead to a relaxation of the standards on such difficult questions as the emergency relief valve discharge issue, it would be foolhardy for us to categorically oppose any EPA action whatsoever. On the other side of the coin (and, basically, in keeping with an opinion you expressed in the letter you sent prior to the session), we agreed that we could not meekly accept any proposals to tighten the standard without some proof that there might be a health justification for such action. Our feeling on this latter score was, of course, bolstered by the recent decision of the Supreme Court in the benzene case, discussed at some length in my letter of July 3.

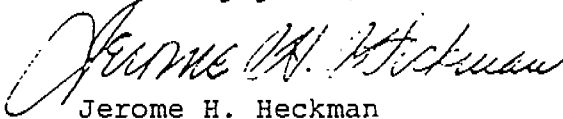
In light of these circumstances, Gary and I have discussed the overall situation and come to the conclusion that the time is nearing when the industry will need to decide whether to take a firm stand against any further EPA moves to tighten its chokehold on day-to-day operations (the costs of present restrictions being figured by EPA to be about \$763 million through 1986) or whether we should cooperate in the TRW study and anything in the way of recommendations that flow from it. The reason we say that the time for decision is "nearing" instead of at hand is because it seems to us that the moment of truth is apt to come towards the end of October when we believe we will have a better handle on what sort of recommendations the TRW people might make. Obviously, it would be to the industry's benefit if the recommendations are limited to the relaxing of standards on things like emergency emissions, but one would have to be most naive to anticipate such a recommendation without others that will impose severe new burdens. Our notion at the moment is that the possibilities should be discussed in detail at the September 25 meeting so that, at an appropriate time thereafter, all of us will be better prepared to recommend the basic policies the entire group should follow.

Dr. A. R. Adams
August 6, 1980
Page Three

I suppose one of the most important points that bears mentioning here is that we plan to come to the September 25 meeting prepared to discuss the consequences the industry will probably need to face, depending on which basic course of action it decides to pursue. If it is decided that the industry prefers to go along with the TRW study and the thus far adhered to practice of cooperating with EPA to the fullest extent possible, there may be little in the way of new initiatives that need to be taken. On the other hand, if the industry decides that the time has come to draw the line against further regulation, a good deal of planning will probably be required, and the action options are likely to include possible preemptive initiatives at a variety of levels of government.

We hope this letter will serve to provide you with our current thinking to the extent that it is possible to do so in a written communication of any reasonable length. I think it will be clear to you that my own feeling, having been involved in the VCM/PVC problem since at least 1973, is that we are at another crossroads where top level decision-making has become absolutely necessary. I do believe we will be well prepared to explain this matter further at the forthcoming Steering Committee meeting; but if you or any of the others receiving copies of this letter have questions in the meantime, by all means feel free to contact me or Gary Baise.

Cordially yours,


Jerome H. Heckman

Enclosures

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Thomas J. McGrath
John R. Lawrence
SPI-PVC Safety Group
SPI-PVC Manufacturing Technology Committee
SPI-PVC Health Committee
SPI-PVC Lawyers Subcommittee

GENC 015985