



A Division of The Society of The Plastics Industry, Inc.

FEB 1 - 1991

January 31, 1991

Mr. M. Donohue
Manager, Chemnet
Chemical Manufacturers Association
2501 M Street, N.W.
Washington, D.C. 20037

Re: Proposal To Establish VC Network and Budget

Dear Mike:

Enclosed is a draft of the program material John Coburn and I prepared which is to be mailed prior to the February 27th meeting of the Vinyl Institute Executive Board. Also enclosed is a draft of an estimated budget for 1991. In an effort to anticipate questions as to what costs may be if the network undertook the activities identified on page 3, I discussed with John the estimated ranges. These are really rough figures that are meant to demonstrate to potential participants that the second year costs might be 3 to 4 times greater than first year expenditures.

John and I would appreciate having from you and your colleagues your "best guess" of first year costs if such a group were to be organized as a Chemstar Panel. I trust that you understand that this is not intended to be a "bidding war". Rather, for the company representatives to make this type of policy decision, the budget estimate numbers are obviously a minor part of the issue. I would appreciate some feedback by February 8th (either to John or me) in whatever format you wish.

On a personal note, I want to thank you, Alma and Susan for the time you have contributed to this effort.

Sincerely yours,

Meredith

MNS/pmb
cc: J. Coburn
F. Borrelli

CMA 110450

D R A F T

TO: Executive Board
Health, Safety & Environment Committee
Ad Hoc Task Force on Vinyl Chloride Mutual Aid Network

RE: Proposal to Establish a Vinyl Chloride Mutual Aid Network -
1991 Program

Background

In his capacity as Chairman of the Institute's Health, Safety and Environment Committee, Frank Borrelli presented a proposal to establish a vinyl chloride specific mutual aid network at the Institute's Executive Board meeting on December 12th. That proposal had been prepared by an ad hoc task force that had been meeting with VI and CMA staff sharing administrative responsibility.

As you will recall, at the December 12th meeting, the Executive Board agreed in principle that such a network be established. Additionally, the Board asked the task force to prepare a proposed program for 1991 with a tentative budget. The task force, under the chairmanship of John Coburn of OxyChem, met on January 9, 1991. A list of attendees at this meeting is attached. The following material was developed at this meeting and will be the subject of discussion at the February 27, 1991 meeting of the Executive Board. To facilitate internal company review and discussion in advance of the February 27th meeting, also attached is a list of the members of the Executive Board and of the VI Health, Safety and Environment Committee.

I. PROGRAM PROPOSAL FOR 1991 - ORGANIZATIONAL STRUCTURE

A. Full Committee

A committee of all U.S. vinyl producers would be formed. The principle objectives of this committee would be to develop and finalize a formal agreement under which a vinyl chloride specific mutual aid network would operate. In addition to the agreement, the committee would be

responsible for the development of formal operating statement and rules, incident reporting procedures and follow-up procedures. As follow-up to the January 9th meeting, CMA circulated to the meeting attendees copies of the ChemNet Agreement, as well as copies of the Phosphorus Emergency Response Team (PERT) Agreement. CMA staff suggested that the latter might serve as an appropriate model for a vinyl chloride network.

The full committee would also oversee the activities of the 3 subcommittees. It is estimated that a total of 3 or 4 meetings would be needed to finalize these documents.

B. Subcommittees

Three subcommittees were suggested:

1. Routing and Territories

Responsibilities of this subcommittee would include an examination of currently-used routes and mechanical contractors and an assessment of existing emergency responsibilities including company territorial responsibilities. It is estimated that two meetings during 1991 would be necessary, with additional requirements of staff and counsel involvement in the collection of confidential information.

2. Equipment (Railcars)

This subcommittee would inventory all cars and equipment currently used. It is estimated that one meeting will be necessary. The long term goal of this activity would be to assure that all cars in service can accept identical/compatible repair kits so that they could be appropriately serviced by the responder and/or identify those that cannot accept such repair kits.

3. Emergency Response Resources

This subcommittee would a) develop an inventory of company equipment, b) develop an inventory of all rail members, contractor, and responders and responders and contractors, and c) assess all currently-used training materials by and for all audiences served for assessing network work plan for future years. It is estimated that this subcommittee would have 3 meetings during 1991.

II. GOALS FOR 1992 AND BEYOND

The following were identified by the task force as possible activities to undertake during 1992:

- The development of training materials such as pamphlets, brochures, etc.
- Production of video
- Conduct hands-on training program(s) for major responders.
- Spotting of repair equipment where needed (may require equipment purchase).
- Examine international requirements which currently impeded responding to incidents in North America and work to overcome these restrictions.

III. COST APPORTIONMENT METHODS

The task force discussed two ways in which costs would be apportioned among the participants.

Plan A - 75% of the cost would be apportioned on the basis of percentage of ton miles shipped by rail.

- 25% of cost would be equally shared by all participants. Recognizing that vinyl producers ship vinyl chloride cars, Plan B was discussed.

Plan B - All user companies should be tied into the program from the beginning of the program at a rate of 25% of the total of budget.

- The remaining 75% of the budget would be apportioned on the basis of percentage of ton miles shipped by rail.

IV. PROPOSED BUDGET FOR 1991

As the Executive Board had not determined under which organization this activity would be organized, the following list of budgetary requirements was developed to be used by the VI and CMA staffs in estimating what a budget for the first year might be. It should be noted that expenses would be expected to be higher in 1992 assuming that the goals listed above were carried out.

1. Preparation for, attendance at, and follow-up on all subcommittee and full committee meetings. It is

estimated that there would be a total of 10 meetings during 1991 served by staff and/or counsel.

2. Support services necessary at level appropriate to serv committee (ex. secretarial, mail costs) as well as services related to budget, including monthly reports and all dues procedures.
3. Collection through staff, with appropriate assistanc from counsel, of all relevant materials needed to assist the work of the committee. This would include items such as an inventory of routes used, railcars used, repair equipement inventory, and ton miles shipped by individual companies—8
4. Meeting and travel expenses for a maximum of ten meetings during 1991 at out-of-office locations with ten attende s each.

The VI and CMA budget estimates are to be included in the briefing book for the February 27th meeting.

John Coburn, Task Force Chairman

Meredith Scheck, Vinyl Institut

AD HOC VINYL CHLORIDE MUTUAL AID TASK FORCE

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1991 BUDGET ESTIMATE FOR MUTUAL AID NETWORK

The following estimate for network activities is based on a maximum of ten meetings with a maximum of ten attendees at each meeting.

PROFESSIONAL STAFF

o Meeting Related

1 day of preparation
1 day of attendance
+ 1 day follow up
3 days per meeting X 10 meetings = 30 days

30 days out of total of 260 work days = 1.39 man months

1.39 X \$60,000 base = \$6950

- o Additional time of 1 day per month (.55 man months)
at \$60,000 base = \$2750

SUPPORT STAFF

1 day per month (.55 man months) at \$25,000 base = \$1146

MAILING COSTS

- o Meeting Related: Mailings to include advance planning, agenda and minutes of each meeting = \$110
- o Dues related mailings to include ten miles survey and two assessment mailings, assuming ten participants = \$9.00
- o Minimum of two monthly mailings to ten participating companies = \$156

TRAVEL FOR ONE STAFF PERSON TO TEN MEETINGS OFFSITE

- o Airfare = \$700
- o Hotel/Travel related expenses = \$200
- \$900 per trip for ten trips = \$9000

MEETING EXPENSES

Assuming ten meetings in hotel locations, with cost to include meeting room and working lunch:

\$500 per meeting x 10 meetings = \$5000

SUBTOTAL EXCLUSIVE OF LEGAL + \$25,121

- o Estimate of legal costs \$10,000
- o Contingency budget of 10% = \$3,500

TOTAL ESTIMATED EXPENSES FOR 1991 = \$38,500

1992 BUDGET ESTIMATES FOR PROJECTS IDENTIFIED

In trying to anticipate questions regarding estimated costs beyond 1991, staff worked with task force chairman to identify range of costs that may be expected for projects identified:

<u>PROJECT</u>	<u>COSTS</u>
o Development of training materials	\$15,000 - \$40,000
o Video	20,000 - 30,000
o Hands of training (based on recent experience at the Burlington Fire Academy) - Assume 4 sessions at costs of 30-35 people	30,000 - 35,000
o Purchase and spotting of equipment (5 units at 5 sites)	20,000 - 25,000
<u>SUBTOTAL/PROJECT : \$85,000 - \$130,000</u>	

Continuing costs (staff time, legal expenses, meeting related costs, etc.) would need to be added. If you assumed administrative expenses equivalent to the first year of \$38,500, the total would be in the range of \$125,000 to 170,000.