VINYL INSTITUTE EXECUTIVE BOARD

Stouffer Tower City Hotel
24 Public Square
Cleveland, Ohio

Wednesday
March 9, 1994
8 am

ATTENDEES:

Raymond G. Azrak, Union Carbide Corp.
J. Alan Bailey, OxyChem
Pat Benkner, Vinyl Institute
Tom Bole, Elf Atochem North America, Inc. (for David Fultz)
Brian Bourgeois, PPG Industries
Robert H. Burnett, Vinyl Institute
William F. Carroll, OxyChem
Peter de la Cruz, Keller and Heckman
G. S. Dillon, Jr., Dow Chemical
Bruce Duerringer, Kaneka Texas Corp.
Lewis R. Freeman, SPI
C. A. Gellner, CertainTeed
Allen D. Godwin, Exxon Chemical Co. (for L. G. Krauskopf)
Roy T. Gottesman, Chemical Management Resources
William Jenkins, GE Specialty Chemicals
Monte Kaneko, Mitsubishi Kasei Vinyl
Fred E. Krause, The Geon Company
Brad Lienhart, Chlorine Chemistry Council
Ron McCreedy, Dow Chemical
David A. Meeker, Edward Howard & Co.
G. J. Muller, BASF Corp.
William F. Patient, The Geon Co., CHAIRMAN
John L. Russ, Borden Chemicals & Plastics
Gonzalo Sandino, Petroquimica Colombiana
Meredith N. Scheck, Vinyl Institute
Mark J. Schneider, Vista Chemical Company
Ervin E. Schroeder, Shintech Inc.
Nelson E. Stefany, Rohm and Haas Co.
Thomas Swanson, Georgia Gulf Corp.
Vic Struber, Witco

I. OPENING OF MEETING AND SELF INTRODUCTIONS

Vinyl Institute Executive Board Chairman William F. Patient convened the meeting at 8 am with a round of self-introductions. Mr. Patient noted that with the anticipated inclement weather that he would endeavor to assure that the anticipated adjournment time would be met.

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II. APPROVAL OF MINUTES OF PREVIOUS EXECUTIVE BOARD MEETING

Mr. Bailey moved that the minutes of the December 9, 1993 Executive Board meeting as included under Tab A of the briefing book be approved. The second to the motion was made by Mr. Schroeder and approved without objection.

III. CHAIRMAN'S REPORT OF EXECUTIVE COMMITTEE MEETING OF MARCH 8, 1994

Mr. Patient noted that at the December 9, 1993 Executive Board meeting a special Board Task Force on Environmental Groups was established for the purpose of reviewing current activities and developing recommendations for review by the full Executive Board. The members of this task force included Mssrs. Schneider, Russ, and Patient with the assistance of Mssrs. Krause, Meeker and Burnett. Mr. Schneider, acting as task force chairman, was asked to present the recommendations as discussed at the March 8, 1994 Executive Committee meeting as the next item on the agenda.

IV. ISSUES MANAGEMENT - REVIEW AND DISCUSSION OF RECOMMENDATIONS OF THE CHAIRMAN'S TASK FORCE ON ENVIRONMENTAL GROUPS

After reviewing the issues that were considered by the Chairman's Task Force, Mr. Schneider noted the following key issues facing the vinyl industry and stated that the objectives of the Task Force recommendations are to: 1) preempt/neutralize the attacks from the organized environmentalists and 2) to aggressively promote the benefits.

Mr. Schneider briefly summarized some of the key activities that have occurred since the December Executive Board meeting (these included: the release by EPA of its Clean Water Act initiative incorporating a study on chlorine; the Greenpeace activities that have focused on two member companies; the release of the International Joint Commission's Seventh Biennial Report; and increasing attacks on the Charles River Associates economic impact study) and also noted some activities likely to occur within the next several months (these included: Congressional markup of the Clean Water Act; EPA's release of its dioxin reassessment study).

Mr. Schneider reported that the Task Force developed a three-prong management plan for presentation to the Board that includes a proposal to:

1. Augment Staff: Mr. Schneider noted that the task force had discussed various configurations of expanding the staff and noted the details of the discussions concerning full time/consulting arrangements, the skills needed, and salary requirements.

2. Recruit An Industry Spokesperson: Mr. Schneider noted that this individual should be of national standing, conversant with both the regulatory and legislative process, have an entree to the environmental community, and be familiar with the vinyl industry.

3. Expand Communication Program: Mr. Meeker reviewed the elements of a significantly expanded Issues Management Program, including a broad-based promotion of vinyl benefits, an expansion of mobilization efforts, the development and use of new communication tools, and an intensified media program. Mr. Meeker briefly elaborated on components of each element of this program. He further reviewed activities/initiatives to be coordinated with allied organizations.

In summary, Mr. Schneider reviewed the anticipated budget impact of this three-pronged recommendation as follows: Staff - $150,000; National Spokesperson - $100,000; New Communications activities - $306,000. In total, this represents $556,000 in new initiatives.

A round table discussion on the Task Force recommendations followed. Mr. Patient stated that he believes that it is a program which will build on industry efforts to date. He further recommended that a questionnaire be distributed within the next week to capture the range of activities undertaken by member companies responsive to the activities (such as the Clean Water Act reauthorization) that have occurred since the last Board meeting.

Mr. Lienhart recommended that the Board view the Chlorine Chemistry Council activities and programs as multipliers to the VI program, and that the Chemical Manufacturers Association initiatives as multipliers to both. Mr. Burnett noted that the SPI activities would also be considered multipliers.

V. FINANCIAL REPORT

A. Status of Current Expenditures

Mr. Burnett reviewed the Cash Basis Statement for the period through January 31, 1994, the first eight months of the current fiscal year (1993-1994), as included under Tab B. He commented that the slow down in spending by both the Technical Committee and the Vinyl Institute Group on Recycling has allowed a substantial increase in issues management efforts.

B. <u>Current Fiscal Year Projection</u>

Mr. Burnett reviewed the year-end projection (FY 1993-1994) as included under Tab C, referencing the carryover anticipated at this time.

C. <u>Preliminary Budget Planning for FY 1994-1995: Committee Input</u>

Mr. Burnett reviewed the preliminary FY 1994-1995 as included under Tab C. Mr. Burnett noted that the budget process used is the same as in previous years, i.e. budget requests with priority designation are received from each committee chair by February 1 with this input used to develop a preliminary budget for review and discussion by the Executive Board at its March meeting. A final budget is then developed and voted on at the Board's meeting in conjunction with the Vinyl Institute Annual Meeting. Mr. Burnett noted that the budget was developed with input from the Treasurer that the carryover amount not be depleted. He further mentioned that this does not include the additional staff and industry spokesperson discussed during Mr. Schneider's presentation, with anticipated totals of $250,000. Mr. Burnett further stated that this reflects a level amount in total assessment income.

D. <u>Preliminary Budget Planning for FY 1994-1995: Board Level Discussion/Direction</u>

Mr. Patient stated that considering the earlier directions that had been given to Mr. Burnett regarding the carry forward funds and the new initiatives recommended by the Chairman's Task Force, there would not be sufficient revenue without an increase in assessment income. Mr. Patient asked for consideration of some increase in dues assessments and that a level of 25 percent be considered, with this perhaps limited to full members or some other formula that would take into account also raising the level for affiliate members. Following a brief discussion, Mr. Schroeder moved that the preliminary budget be adopted, with the details of funding further refined for adoption of the budget in final form at the annual meeting. Mr. Russ seconded the motion. During the discussion, Mr. Burnett noted that the undesignated funds in the current year budget which are now anticipated for carry forward to FY 1994-1995 might be used to initiate some of the projects presented by Mr. Schneider.

VI. KEY ISSUES

A. Kansas Potable Water Issue Status

Mr. Krause reviewed the remediation strategies reviewed by the group and noted that the economics do not look favorable for carbon absorption, ultraviolet, or air stripping. Mr. Krause also reviewed the computer model work completed on water flush and noted that it does verify that current pipe is not an issue. Mr. Krause reviewed the action items agreed to, with Dr. Gottesman assigned to prepare a draft summary of a report to be submitted to EPA during June. Background information on this activity is included in the Technical Committee report under Tab G.

Mr. Lienhart suggested that at the appropriate time the CCC's Public Health Advisory Board (PHAB) be briefed on the issue; and, if appropriate, a story could be placed in the PHAB's newsletter, which has a circulation of 10,000+.

B. EDC/VCM/PVC Ad Hoc Quality Task Force

Mr. Krause summarized briefly a number of activities tied to the chlorine issue and to the EPA's anticipated Spring 1994 release of its dioxin reassessment report. Background information on this issue is included in the material under Tab D. Mr. Patient noted that the task force will be asked to determine the use of a model plant(s) for testing purposes and to recommend a course for future activity.

VIII. LEGISLATIVE, LEGAL AND COMMITTEE UPDATES

A. VIGOR (Vinyl Institute Group on Recycling)

Mr. Carroll, VIGOR chairman, noted that the report is included under Tab E. He updated the Board on various projects underway and noted that Waste Alternatives was shut down last week.

B. General Counsel's Report

Mr. de la Cruz noted that several items in the General Counsel's report under Tab H might be of interest. He noted specifically that comments were prepared on behalf of SPI in response of EPA's proposed rule Accidental Release Prevention Program. He further noted that comments on behalf of the VI were incorporated into the SPI's comments to the EPA on its proposed Enhanced Clean Air Monitoring Program. Mr. de la Cruz also briefly summarized the activities underway at SPI relative to proposed State Clean Air Operating Permit Programs and noted their signifance to smaller companies that may be customers of VI members. Additionally, Mr. de la Cruz noted that SPI has requested a meeting with OSHA to ensure that the SPI/OSHA settlement agreements and clarifying letters relative to ethylene dichloride and styrene remain valid should the 1989 permissible exposure levels (PELs) be reinstated through enactment of the pending OSHA reform legislation (which would allow the Agency to both codify the final 1989 air contaminant PELs as well as a 1992 air contaminants proposal applicable to certain specified industries).

IX. <u>INTERNATIONAL ACTIVITIES</u>

A. **<u>Tripartite and IGCCA</u>**

Mr. Burnett stated that a Tripartite meeting has been scheduled for October 24-26 in Tokyo, with the possibility of a meeting of the International Group of Chlorine Chemistry Associations to follow. Mr. Burnett urged those who are interested in participating to so advise him. Mr. Burnett noted that the IGCCA Science Group will be holding its first meeting April 12 and 13 in conjunction with the upcoming IGCCA meeting in Washington. He further noted that SPI Canada has recently formed a Vinyls Division, and noted that staff (Sheryl McKean) has been invited to the VI's Annual Meeting. This group is also be be represented on the Board of the Chlorine Chemistry Council of Canada (C4).

B. **<u>Associate Member Update</u>**

Mr. Burnett noted that as a result of contacts through Rohm and Haas, several representatives of Mexican companies have been invited to attend the Annual Meeting; Mr. Burnett stated that he would advise the Board representatives who would be attending. Mr. Sandino noted activity within his country on the part of the government to propose a program similar to that originally proposed in Germany by Mr. Topfer. Mr. Kaneko noted that at the present time there is more concern about the state of the economy, with the activities of Greenpeace currently not an issue as elsewhere. He did note that industry is Japan is very concerned about any changes in U.S. EPA policy relative to chlorine based materials.

X. OLD BUSINESS

A. **California EIR**

Dr. Gottesman updated the Board on activities related to the completion of the Environmental Impact Report (EIR) on the expanded use of plastic pipe in the State of California. Background information is included under Tab J. Dr. Gottesman noted that the proposal received has been reviewed and a modified version is to be received this week. Dr. Gottesman noted that it is anticipated to cost $26,000, and commented that the funds are available to support this activity.

B. **Responsible Care Partnership Program**

Mr. Patient noted that as agreed to at the December 9, 1993 Executive Board meeting (minutes attached under Tab A), it is in order to consider the Institute's affiliation with the CMA's Responsible Care Partnership Program. Mr. Swanson moved that the Institute particpate in the Partnership Program and that an amendment to the bylaws be prepared accordingly. Under the provisions of the program, this commitment would note that "The VI and its members share a continuing commitment to conduct their operations with the highest regard for its workers, the public, and the environment.

The VI Board of Directors hereby resolves that the VI will: 1) apply for Partner Association status in the Responsible Care Partnership Program sponsored by CMA and 2) make a good faith implementation by VI member companies of the Responsible Care Codes of Management Practices as a condition of membership in the VI." The motion was seconded by Mr. Russ and approved without objection.

C. **Other**

Mr. Dillon inquired about the discussion regarding testing that the Executive Board members were asked to come prepared to dicuss. Mr. Patient noted that as earlier reported by Mr. Krause, the EDC/VCM/PVC Ad Hoc Quality task force will be asked to discuss whether a model plant can be used for the purpose of testing and, if so, to design and recommend a course of action to implement such an initiative.

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XI. **NEW BUSINESS**

Mr. Lienhart updated the Executive Board on the principal activities underway at the Chlorine Chemistry Association including the long and short term strategy development sessions now in process, membership initiatives, and outreach, advocacy and science task force projects.

XII. **NEXT MEETING DATE**

Mr. Burnett noted that the next meeting of the Executive Board has been scheduled for May 24 in conjunction with the Institute's Annual Meeting. He further noted that the remaining meetings in calendar 1994 have been set for September 13/14 in Morristown, New Jersey, and December 6/7 in Houston, Texas.

XIII. **ADJOURNMENT**

Mr. Schroeder moved that the meeting be adjourned at 11:40 am. The motion was seconded by Mr. Dillon and approved without objection.

Respectfully submitted,

Meredith Scheck

Meredith N. Scheck
Assistant Director

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