minutes

EXECUTIVE BOARD MEETING

Wyndham Greenspoint Hotel
12400 Greenspoint Drive
Houston, Texas

Thursday
December 15, 1988
8:00 a.m.

Attendees:

Pat Benkner, Vinyl Institute
Robert Bitten, Lucidol, Div. of Pennwalt
Greg Boyd, Kaneka Texas
Chuck Bush, BFGoodrich Company
Rose Mary Clyburn, PPG Industries
Peter de la Cruz, Keller and Heckman
Fred Fisher, Air Products
Rick Flammer, Vista Chemical
Roy Gottesman, Vinyl Institute
Frank Hovey, BFGoodrich Canada
Bob Kelly, CertainTeed
Don Knechtges, BFGoodrich
Jerry Koral, M & T Chemicals
Robert Luss, Occidental Chemical
Ed Martinelli, BFGoodrich Company
Geoffrey McMath, Shintech Inc.
Debbie Neale, BFGoodrich Company
Bill Reading, Occidental Chemical
Mike Reynolds, Vista Chemical
John L. Russ, Borden Chemicals and Plastics
Steven Schaefer, Occidental Chemical
Meredith Scheck, Vinyl Institute
Ed Schiffer, Georgia Gulf
Bill Shoun, Dow Chemical
Rick Smith, Vista Chemical
Carrie Solin, Rohm and Haas
Vic Struber, Argus, Division of Witco
Roger Wilson, GE Specialty Chemicals

I. OPENING OF MEETING

The Vinyl Institute Executive Board Chairman, Mr. Steven W. Schaefer convened the meeting and asked for self-introductions.

II. APPROVAL OF MINUTES OF SEPTEMBER 7, 1988 EXECUTIVE BOARD MEETING

Mr. Flammer motioned that the minutes of the September 7, 1988 meeting of the Executive Board as included under Tab A of the Briefing Book for this meeting be approved. The motion was seconded by Mr. Knechtges and approved by voice vot-

III. FINANCIAL MATTERS

A. Status of Expenditures

VI Executive Director, Dr. Roy Gottesman reviewed the Status of Expenditures for the 5-month period ending October 31, 1988 as included under Tab B of the Briefing Book for this meeting. As requested at the September 7, 1988 meeting of the Executive Board, Dr. Gottesman reviewed the revised budget format for the Board, highlighting FY 1988-1989 budget projections based upon the formation of the Electrical Materials and Pipe Task Forces.

Relative to the Electrical Materials Task Force, Gottesman noted that $64,300 is currently available from what had been budgeted previously to the Public Relations/Communications, Market Development Committee, and Code Consultant budget categories. Relative to the Pipe Task Force, Gottesman noted that the total revised budget for this category is $368,535. He noted that this figure includes $209,035, California EIR Worker Health Study; $50,000, Uni-Bell PVC Pipe Association grant; $8,000 for completion of the joint VI-PPFA research program at IFT; $41,500 IFT cost-benefit research report; $20,000 code consultant support, $25,000 from the public relations/communications budget; and $15,000 from the Market Development Committee category.

Gottesman reviewed current expenditures with projections through the end of the current fiscal year. In response to a question from Mr. Schaefer, Gottesman noted that at the current year, he anticipates a fund balance in the $100,000 to $150,000 range, as some projects being contemplated will not be completed by the end of the current fiscal year.

B. Second Half Assessments

VI Treasurer, Edwin Schiffer suggested that based upon discussions with Gottesman, the invoices fcr the second half assessments be issued as soon as possible. He noted that this schedule would allow VI members to pay their dues in either calendar year 1988 or calendar year 1989, depending on their companies' financial policies. There being no objection to this suggestion, Gottesman noted that invoices would be mailed December 16, 1988 or December 19, 1988.

IV. PRO-ACTIVE TASK FORCE REPORTS AND RELATED ISSUES

A. Vinyl Packaging Council

1. Report on Programs

Mrs. Carrie Solin, Chairman of the Vinyl Packaging Council, updated the Board on the activities of the Council since the September 7, 1988 meeting of the Executive Board by expanding on the summary included under Tab C of the Briefing book for this meeting.

Mrs. Solin noted the Council's presence at the November 3-5 International Bottled Water Association Trade Show, which had generated approximately 150 leads. She also noted a new advertising program is to begin next calendar year, with the program targeted for Food and Drug Packaging magazine. This program will be focused on the design attributes of vinyl bottles.

Mrs. Solin reviewed for the Board the current mechanism used to put inquirers in direct contact with bottle suppliers and reviewed briefly the reasons the current system is used. She commented that she was raising this issue with the Board because other task forces could have similar difficulties arise as a result of any planned advertising programs. She noted that the reasons are twofold, i.e., fabricators are not members of the task force and lack of agreement on developing merged lists of resin company contacts.

Following a brief discussion, Mr. Schaefer urged Mrs. Solin and the members of the Vinyl Packaging Council to try to resolve the issue of providing direct contacts for inquirers.

Lastly, Solin noted that Gottesman would be reviewing for the Board, a recommendation to use a fulfillment house to respond to inquiries and to provide appropriate materials in response to advertising programs.

2. FDA-PVC Packaging Proposal - Status

Mr. de la Cruz reviewed briefly Food and Drug Administration and Environmental Protection Agency activity related to the proposed rule on PVC packaging published in February 1986, specifically expanding upon the events since the preparation of the Legal Counsel's report as included under Tab F of the Briefing Book for this meeting.

Mr. de la Cruz noted the comment period on FDA's Notice of Intent to prepare an Environmental Impact Statement will close January 23, 1989. He noted that following discussions with Mr. Luss, Chairman of the VI Legal Committee, and Dr. Gottesman, his recommendation for further activity on this issue includes a) routine monitoring of the docket, b) contact with FDA staff to keep apprised of government activity and c) the filing of a brief set of comments, which would include materials previously given to both EPA and FDA which are not part of the docket. In conjunction with the above, Mr. de la Cruz suggested that the Vinyl Packaging Council re-examine projected market segment size. Gottesman noted that other parts of the issue book need to be re-examined, but that this should be accomplished easily. Mr. de la Cruz also reviewed work that could occur at the conclusion of the comment period, including the hiring of outside contractors.

Mr. Knechtges commented that he believed the statements within the preamble of the Notice of Intent have been helpful in the marketplace. Following a brief discussion the recommendations of Counsel outlined above were accepted.

B. ELECTRICAL MATERIALS TASK FORCE

1. Report on Programs

Mr. Rick Smith, Electrical Materials Task Force Chairman, reviewed the group's mission statement and action plan and noted that the group has held meetings October 6th and December 14, 1988. Smith noted that background materials is included under Tab D of the Briefing Book for this meeting.

Gottesman noted that the Task Force had completed its initial publication, "Wired For Safety with Vinyl Electrical Materials", which had been previously sent to each Executive Board member. Smith commented that the group's next meeting will focus on plans for a benchmark survey and use of focus groups to provide the group with a baseline of the knowledge that exists on vinyl electrical materials.

Mr. Smith also reviewed the group's literature development program, possible future trade show participation, the preparation of some targeted "VI technical information" papers, which would be prepared in conjunction with the VI Technical Committee, and noted that the group has also considered both publicity activities and the joint sponsorship of seminars.

2. Request For Funding

Lastly, Smith reviewed for the Board anticipated budget needs over the next 18 months of the program as follows:

Market Research	$ 19,500
Literature	117,000
Merchandising Program	28,000
Development of Film	35,000
Trade Show Booth	20,000
Technical Papers	4,500
Publicity	10,000
Contingency Funds	16,000
TOTAL	250,000
Balance of 1988	60,500
1989	189,500

At the conclusion of Mr. Smith's comments, Mr. Flammer inquired whether the group planned to allocate any funds to help measure the effectiveness of the program. Gottesman noted that it was hoped that the proposed benchmark survey and focus group discussions would provide the group with a baseline of knowledge which could be later used to measure the effectiveness of the program. Mr. Schaefer asked for some brief comments on the Task Force's members and liaison with other VI committees. Lastly, Dr. Gottesman noted that at the March Executive Board meeting a preview of the FY 1989-1990 budget would be discussed for this and all other Vinyl Institute activities.

Following a conclusion of the Electrical Materials report, a video provided by PPG was shown that demonstrates a new substance, Pitt-Char 200, created for use by the U.S. Navy on shipboard applications for covering PVC cables. Essentially, this is an intumescent coating that chars under fire conditions.

C. Pipe Industry Task Force

1. Report on Programs and Proposal For Funding

Mr. William Reading, Chairman of the Pipe Industry Task Force reviewed the material included under Tab E of the Briefing Book for this meeting, and the mission statement. Mr. Reading then reviewed the following preliminary budget requirements, based upon programs considered for the remainder of the current fiscal year and projected programs for fiscal year 1989-1990.

PIPE INDUSTRY TASK FORCE

Preliminary Budget Requirements
(From Discussion at November 15, 1988 Pipe Task Force Meeting)

FISCAL YEAR 1988-1989	
Communications/Public Relations	
Benchmark Research	$ 13,500
Technical Pipe Guide	17,700
Ad Development (including research, writing and supervision)	7,500
Sub-Total	38,350
Uni-Bell Program Support (continuing)	50,000
FISCAL YEAR 1988-1989 TOTAL	$ 88,350
FISCAL YEAR 1989-1990	
Communications/Public Relations	
Photography for Ad	$ 7,500
Ad Production	5,000
Space for Ads	30,000
Special Issue Advertising	12,568
Directory Advertising	9,447
Technical Information Paper (two)	3,000
Performance Fact Sheet (three)	13,500
Ongoing Media Relations/Publicity	5,000
Account Management and Contingency	15,000
Sub-Total	$101,015
Uni-Bell Program Support	
Pivotal Cities Program	50,000
Sponsor 1989 Pipe System Institute at Utah State University	25,500
Sub-Total	75,500
Undefined (Contingency)	3,485
FISCAL YEAR 1989-1990 TOTAL	$180,000

SPI-09258

Reading noted that following a review of activities of other trade associations, the Pipe Industry Task Force suggested that its activities be focused at this time, on the pressure pipe market.

Following a brief discussion of the activities and membership of various pipe-related groups, Mr. Schaefer asked for an analysis of the activities of Uni-Bell at the next Board Meeting as the VI would then be in its third year of financial support. Gottesman suggested that Mr. Walker of Uni-Bell be asked to the March Board Meeting for the purpose of making this presentation.

Mr. Struber asked for an updating of activities at the National Sanitation Foundation relative to Standards 14 and 61. Gottesman noted that Don Goodman of OxyChem has served as the VI representative on the Standard 61 committee and noted that at the December meeting, the issue of which standard will dominate had not been resolved.

In response to a question from Mr. Flammer, Gottesman noted that Mr. Reventas of Shintech is providing liaison between the Pipe Industry Task Force and the Technical Committee and that Mr. Hookanson of Vista Chemical is providing liaison between the Electrical Materials Group and the Technical Committee.

Reading highlighted liaison with the Plastics Pipe Institute of SPI, as well as a talk given by Gottesman at the last meeting of the U.S. Plastics Pipe Association.

Mr. Knechtges suggested that the Pipe Industry Task Force give consideration to activities that may be required to specifically allow the use of recycled material in certain pipe applications. Gottesman noted that Mr. Borrelli of Georgia Gulf has assumed the responsibility of interfacing with ASTM Committee D.20, but noted that the ASTM consensus process is a 3-5 year program.

Mr. Kelly commented that this may not be the correct time to measure the effectiveness of a program aimed at expanding the large diameter market due to that market's current economic picture.

Mr. Shoun suggested that the preliminary budget proposals given at the March Executive Board Meeting should be organized so as to give the Board a sense of each group's priority needs.

2. California EIR

Dr. Gottesman referred to the letter distributed to the Executive Board on October 26th and included under Tab H of the Briefing Book, alerting the Board to the anticipated financial shortfall to enable completion of the EIR. Gottesman provided a summary of the cost to date of this activity, noting that the total expended is $1,180,522. Gottesman noted that the Worker Health Study (which has cost $253,816 to date), is scheduled to be completed with a formal report to the Department of Housing and Community Development by February 1, 1989. Gottesman then reviewed the steps that will follow the submission of this report.

Dr. Gottesman provided the following projection of funds needed:

Projection of Funds Needed

SRI	
. Phase II	$206,384
. Phase III original cost	66,636
. Phase III cost increase due to delay	33,700
Total of SRI	306,720
Legal Fees	
. California Contract Attorney	20,000
. Keller and Heckman	10,000
Total Legal	30,000
Public and Government Affairs	40,000
Total Estimate Needed	376,720
Cash on Hand	126,518
Shortfall To Complete the EIR	$250,202

Dr. Gottesman reviewed the potential impact on the market if the EIR were not completed. Gottesman then reviewed the potential for other sources of funding and provided an assessment on the likelihood of getting a significant amount of funding from any of these sources. Included in this listing were solvent cement manufacturers, ABS producers, polybutylene manufacturers and pipe manufacturers through PPFA.

Following a discussion by the Board it was suggested that names of any potential sources of funding be funnelled to Gottesman and that it was the sense of the Board that each should be approached in whatever mechanism seemed likely to achieve positive results, stressing that the vinyl producers are committed to seeing the project to completion.

As Chairman of the Ad Hoc Pipe Resin Producers Committee, Deborah Neale of BFGoodrich, outlined the need for a focused public relations effort and commented on the funds that may be available from others to help with this effort. Mr. Reynolds urged that a detailed plan be developed immediately to address this need.

Mr. Schiffer expressed concern regarding SRI's extraordinarily high escalation figure for Phase III, and inquired whether anything could be done directly to bring this figure in line with typical escalation costs for projects that do not include technical hardware. Gottesman noted that the signator to the SRI contract is the State of California and that SPI really has no leverage. Nevertheless, Ms. Neale and Dr. Gottesman will convey this to Bill Holliman, our attorney in California, to see if a cost-concession can be obtained from SRI. Mr. Flammer made the following motion:

RESOLVED, the Vinyl Institute agrees to fund the California EIR project up to a maximum of $250,202. The VI Executive Board directs that efforts be made to share this expense with other interested groups and companies, but will fund the full amount if necessary.

The motion was seconded by Mr. Martinelli and approved by voice vote.

3. <u>Pittsburgh Ordinance Update</u>

Mr. de la Cruz briefly reviewed the material included under Tab F of the Briefing Book for this meeting related to Carlon's suit challenging the Pittsburgh City Council's enactment of an ordinance barring the use of PVC in any electrical conduit or plumbing applications in Allegheny County. De la Cruz noted that depositions are scheduled for December 20th and 21st and noted that the parties have until April 1989 to complete discovery, with a pre-trial conference scheduled for June.

V. PROJECT AND ISSUE UPDATES

A. Solid Waste Management

1. <u>Plastics Recycling Foundation (PRF)</u>

Gottesman updated the Board on the activities of the Plastics Recycling Foundation since the last Executive Board Meeting and noted that the commingled recycling project is proceeding well. He noted that the PRF is now working on markets for its commingled material and that the discussions have begun with groups responsible for specifying such materials.

2. Plastics Recycling Applied Research Institute

Gottesman noted that he and Dr. Fishbein of Borden had attended PRARI's December meeting and that he believes that based upon the lack of progress, VI financial support for any future program is not likely to be requested of the Board.

3. Delaware Valley Reclamation Project

Dr. Gottesman noted that the reclaimed material which was processed at Rutgers has now been manufactured into a variety of second generation products. He noted that video footage of this process has been taken and will be selectively edited for possible future use.

4. Heavy Metals in Incinerator Ash

Dr. Charles Bush, Chairman of the Vinyl Institute Technical Committee, updated the Board on discussions held at the October 18th and December 13th Technical Committee meetings on the subject of heavy metals, particularly cadmium and lead in incinerator ash. He noted that Bud Hall of Vista and Bill Coaker of BFGoodrich are working on a paper on the viability of replacing cadmium. He further noted that the issue of lead is an extremely different one as the material positively contributes to the electrical properties of the material. Mr. Knechtges urged that wherever possible, that the industry try to get ahead of government restrictive action.

VI staff was directed to work with SPI on the completion of the report on heavy metals, as the issue is larger than vinyl. Dr. Bush volunteered to have prepared position papers on both the cadmium and lead issues for use by VI member companies.

Dr. Bush noted that the Technical Committee had discussed working with the Electrical Materials Task Force on the lead issue to examine whether any improved reclamation of wire scrap material could be developed.

5. Council on Solid Waste Solutions

Dr. Gottesman reviewed the current activities of the Council on Solid Waste Solutions and highlighted in detail the benchmark survey results. Mr. Schaefer noted that the Council is planning a series of meetings in March to review current programs and seek to expend its membership.

B. <u>Proposal From Health, Safety and Environment Committee For Safety-Related Workshops</u>

On behalf of the Safety Subcommittee, Mrs. Scheck presented the proposed plans and format for a VI-sponsored Safety Workshop. She noted that the concept was not to duplicate or supplant the activities of other organizations. Based upon discussions, Mrs. Scheck was directed to tell the Subcommittee to proceed with its plans for an initial one-day workshop and to build an assessment element into the program so that the Board could determine whether future workshops should be convened. Mrs. Scheck was further directed to build a budget for the program to assure that it is a self-funded initiative.

C. <u>Communications Committee Proposal: Development of a Generic PVC Brochure</u>

As follow-up to discussions at the September 7th Executive Board meeting concerning the need for a generic vinyl industry brochure, Communications Committee Chairman Mike Reynolds presented the concept for such a brochure and outlined its possible uses and cost/timing to produce.

He commented that the Committee believed that a number of objectives could be accomplished with the brochure including further education of those within and allied with the vinyl industry, the creation of a single source of information, will assist in building a group of informed individuals who will express a preference for vinyl, the elimination of roadblocks to capacity, and the enhancement of employee morale. He noted that potential audiences for such a brochure ranged from present and potential employees, community relations activities, press activities, trade shows, all general information packets, etc.

Based upon a conservative press run, a 16-24 page full-color brochure would be in the $50,000 range. He noted that approximately $30,000 would be spent in this fiscal year (developmental work) with the remainder (printing and production) of $20,000 in the next fiscal year.

Following a brief discussion, Mr. Schaefer authorized Mr. Reynolds to proceed with this project subject to it being done within the currently-available communications budget and incorporating all remaining costs into the Fiscal Year 1989-1990 budget.

D. <u>Legislative Update</u>

Mrs. Scheck noted that since the completion of the report under Tab L of the Briefing Book, the only change was that the Massachusetts Commission on Fire Safety had scheduled a meeting for December 16th.

She also noted that the map highlighted those states where the Council on Solid Waste Solutions anticipated significant legislative activity impacting the solid waste issue.

VI Regulatory and Legal Matters

1. MSDS

Mr. Luss, Chairman of the VI Legal Committee stated that the Occupational Safety and Health Administration has formally withdrawn its case against Occidental/Addis. Mr. Luss further commented that based upon discussions at and since the time of the last Legal Committee Meeting, it was now his intention to convene a meeting of the VI Legal Committee for the purpose of having a roundtable discussion on present MSDS practices sometime early in 1989.

2. Vinyl Chloride Standard

Mr. de la Cruz noted that the revisions to the vinyl chloride standard are undergoing red border review and that it is EPA's intention that they be published in the Federal Register during February/March 1989.

3. Suffolk County

Counsel noted that the issue is summarized under Tab F of the Briefing Book for this meeting. SPI comments are due on December 29, 1988, with the County's reply due January 18, 1989. Mr. de la Cruz stated that the hearing is now set for January 24, 1989.

Counsel also noted the current status of activities related to Proposition 65 as noted under Tab F of the Briefing Book.

4. SARA 313

Counsel stated that companies who report under the provisions of SARA 313 should be apprised that the reporting mechanism will be significantly amended so that by the 1989 reporting cycle information will be available by computer access immediately upon information filing.

VII. EUROPEAN DEVELOPMENTS

Dr. Gottesman stated that Mr. Prinselaar was unable to attend the Board Meeting, but had graciously forwarded a report for distribution. Dr. Gottesman briefly summarized the activities related to Greenpeace as well as to initiatives in Denmark, West Germany, Austria, and Italy and the impact of these issues in investment decisions. Mr. Schaefer asked Dr. Gottesman to allow sufficient time on the agenda of the March meeting for Mr. Prinselaar to expand on this report and to permit dialogue on issues which have the potential to impact the market across country lines.

VIII. NEW BUSINESS

A. NIBS Project on Smoke Toxicity Performance

Dr. Gottesman stated that based upon discussions with Mr. Schaefer, tentative agreement was given for Vinyl Institute support of NIBS research to develop a new performance test method to measure potential combustion toxicity hazard of building products and building content. Background material is provided under Tab N of the Briefing Book for this meeting. Gottesman further noted that VI code consultant, Fred Clarke, had asked for policy direction as to whether the Vinyl Institute intended to actively promote this new performance test method. Gottesman noted that the Technical Committee's position was that the NIBS test method not be actively promoted but that it should be offered as an alternative to states actively considering mandating a toxicity test standard. It was the consensus of the Board to formally approve the $10,000 expenditure and to accept the proposed recommended use.

B. SwRI Project: Studies of the Effects of PVC Smoke on Respiratory Response and Function of Baboons and Rodents

Dr. Gottesman stated that a contract was received in November from SwRI for data analysis and technical publication writing in the above-referenced project with a cost of $34,571. He noted that background information is included under Tab O of the Briefing Book for this meeting. Gottesman stated that the results of the study have been excellent and noted the significance of having the data analysis appear in peer-reviewed journals. Mr. Schiffer motioned that an expenditure of $34,571 be approved and that the contract with SwRI be signed to complete this research project. The motion was seconded by Mr. Flammer and approved by voice vote.

C. Literature Fulfillment and Follow-Up Program

Gottesman stated that based upon experience with the Vinyl Packaging Council's promotional activities it has been suggested that VI resources were not sufficient to handle increased literature fulfillment activities from the two new task forces. He noted that based upon a full day meeting with John Porpora of M & T Chemicals and Dave Taylor of BFGoodrich a meeting has been held with a company recommended and that a proposal has been requested. Following a brief discussion, it was agreed that $8,500 from the current fiscal year budget be spent to initiate this program with continuing costs included in the budgets of future fiscal years.

D. Single-Ply Membrane Advertising Program

Dr. Gottesman reviewed meetings and correspondence with representatives of companies interested in VI financial support and participation in a generic advertising program to promote single-ply membranes. Explanatory material is included under Tab P of the Briefing Book for this meeting. Mr. Flammer stated that by undertaking such a program at this time, VI activities could be too scattered and that he recommended any such activity should be pending held the decision regarding establishment of a VI building/construction task force, that group's priority projects. Mr. Schaefer recommended that Gottesman speak with the interested parties regarding the development of such a program, but that no current funds be allocated.

IX. FUTURE MEETING DATES AND LOCATION/ANNUAL MEETING PLANS

Dr. Gottesman stated that the next meeting of the Executive Board is scheduled for Thursday, March 9th at 8:00 a.m. at the SPI Headquarters, with a dinner scheduled for Wednesday, March 8th at the Wyndham Bristol Hotel. Additionally, he noted that based upon the report provided by Pat Benkner under Tab Q of the Briefing Book, he recommended that Callaway Gardens in Georgia be selected as the site for the May 8th and 9th Annual Meeting. There being no discussion to the contrary, this recommendation was adopted by the Executive Board.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Meredith N. Scheck