minutes

SPI

VINYL INSTITUTE EXECUTIVE BOARD MEETING

The Wyndham Bristol Hotel
2430 Pennsylvania Avenue
Washington D.C. 20037

Thursday
March 15, 1989
8:30 a.m.

Attendees:
Pat Benkner, The Vinyl Institute
Bob Bitten, Lucidol, Div. of Pennwalt
Greg Boyd, Kaneka Texas Corp.
Chuck Bush, BFGoodrich
Peter de la Cruz, Keller and Heckman
H. R. Flammer, Vista Chemical
R. T. Gottesman, The Vinyl Institute
Bob Kelly, CertainTeed Corporation
Jerry Koral, M & T Chemicals
Rod Lowman, Council For Solid Waste Solutions (in part)
Robert D. Luss, Occidental Chemical
Robert Petrich, Rohm and Haas
Raymond P. Pohlman, Shintech Inc.
W. J. Prinselaar, EVC Holdings
John L. Russ, Borden Chemical
M. N. Scheck, The Vinyl Institute
Don Shea, Council For Solid Waste Solutions (in part)
Doug Sherly, Air Products
Bill Shoun, Dow Chemical
C. F. Solin, Rohm and Haas
Vic Struber, Argus Division of Witco
Larry Thomas, Society of the Plastics Industry
Mary M. Valenta, Borden Chemical

I. OPENING OF MEETING

In the absence of VI Executive Board Chairman, Steven W. Schaefer, Vice-Chairman, H. Richard Flammer convened the meeting and asked for self-introductions. Mr. Flammer thanked SPI President Larry Thomas for his comments at the March 8th Board dinner and welcomed Mr. Thomas' participation in this and future VI Executive Board Meetings.

II. APPROVAL OF MINUTES OF DECEMBER 15, 1988 EXECUTIVE BOARD MEETING

Mr. Koral motioned that the minutes of the December 15, 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. Shoun and approved by voice vote.

SPI-09267

III. FINANCIAL MATTERS

A. STATUS OF EXPENDITURES

In the absence of VI Treasurer Edwin Schiffer, VI Executive Director reviewed the Statement of Revenue and Expenditures for the 8-month period ending January 31, 1989, as included under Tab B of the briefing book for this meeting. Gottesman noted that this statement includes payments in calendar year 1988 by some members for their second-half dues assessments, as well as some contributions toward the completion of the California EIR. Gottesman stated that projections show that expenditures are on target for the fiscal year.

B. PRELIMINARY BUDGET 1989-1990

Dr. Gottesman stated that the Preliminary Budget for 1989-1990 as included under Tab C of the briefing book for this meeting reflects input received from all VI committee chairmen. Gottesman noted that due to the illness of the VI Treasurer, this material has not been reviewed by any member of the Executive Board. Gottesman commented that this Preliminary Budget assumes the funding of all Priority A & B projects proposed by VI committees, but does not include any Priority C & D projects. Gottesman noted that the fund balance shown reflects use of reserves from the prior fiscal year and reminded the Board that approximately $209,000 has been used for completion of the Worker Health and Safety Study.

Mr. Flammer asked for clarification regarding dues assessments based on the proposed budget. Gottesman noted that the material under Tab C shows total assessments to VI regular members for fiscal year 1989-1990 at essentially the same levels as fiscal year 1988-1989, and noted that a company's assessment might vary depending on its pro-rata share of total industry capacity as certified to the Vinyl Institute.

In response to a question from Mr. Flammer regarding the accuracy of projected budget figures, Gottesman stated that the input received from the committees was meant to provide general program guidance and that some shifts in allocations among programs could be expected. Gottesman also noted the projected contingency is smaller than in previous budgets due to the Board's decision to approve the expenditure of $100,000 for contribution toward completion of the EIR, while deciding to not seek a special assessment at the time of the approval. In response to a question regarding core support from SPI, Gottesman stated that during the first year of operations, the VI was totally self-funded and in subsequent years the amount has been negotiated. Mr. Luss stated that the legal costs in the preliminary budget are based on a timespent-cost basis, replacing the existing retainer arrangement.

Gottesman proposed the following steps for final approval of the fiscal year 1980-1990 budget:

1 - Review the proposed preliminary budget with the Treasurer.

2 - Prepare a proposed final budget based upon discussions with the Treasurer and any additional input received for distribution to the Executive Board prior to the Annual Meeting.

IV. TASK FORCE, COMMITTEE REPORTS AND RELATED ISSUES

A. VINYL PACKAGING COUNCIL

1. Program Report

Carrie Solin, Vinyl Packaging Council Chairman, reviewed the current activities and Fiscal Year 1989-1990 marketing programs as included under Tab E of the briefing book for this meeting. She displayed the preliminary comps for the advertising program. In response to comments from Mr. Prinselaar concerning erosion in the European vinyl packaging market, Mrs. Solin commented on the economic position of vinyl vis-a-vis competing packaging materials and briefly noted the environmental allegations being made about a variety of plastics.

Mrs. Solin stated that the planned packaging awards program includes a category for non-bottle applications. She commented that the Council intends to develop a long-term strategy document to expand its programs to include film and sheet applications and noted that this plan will be presented to the Board when completed.

Mrs. Solin noted the planned focus groups discussions to assess the views of packaging specifiers relative to vinyl. She noted that this would not be an update of the original benchmark survey, but that the Council members believed that this would yield better information. Mr. Pohlman inquired whether the Council was able to measure increased pounds being sold into this market as a result of Council activity. Mrs. Solin noted that the statistics currently gathered by SPI track the packaging market by category, but that there is no direct way to measure the relationship between advertising programs and increased sales. Lastly, Mrs. Solin thanked the Board for their help in the VI development of a confidential list of blow molders that is being used to respond to telephone inquiries.

Mr. Thomas stated that SPI has been invited to speak at the Fall 1989 IBWA Annual Meeting and Exhibit. He indicated that he would welcome any input appropriate to an SPI presentation.

2. FDA - PVC Packaging Proposal Status

Mr. de la Cruz updated the Board on activities since the December 15, 1988 Board Meeting relative to FDA's intention to prepare an EIS on its proposed rule providing for the safe use of PVC packaging materials. A complete update is included under Tab K of the briefing book for this meeting.

B. ELECTRICAL MATERIALS COUNCIL

Council member Mary Valenta of Borden Chemicals and Plastics updated the Board on activities of the Council since the December Board Meeting. Background information is included under Tab F of the briefing book for this meeting. She highlighted the benchmark survey work being done under contract with Sommers and Associates scheduled to be completed at the end of April and commented that these results will be used to help focus the programs of the Council in fiscal year 1989-1990. She stated that the Council had decided for external relations to refer to themselves as the "Electrical Materials Council". They also noted that at the present time, the Council intends to participate in the November 7-10th InterWire Show and the November 14-16th Wire and Cable Symposium. Ms. Valenta noted that the Council believes that participation in the codemaking process is critical. Dr. Gottesman commented that discussions have been held with Carlon regarding additional participation in Panels 6, 7 and 16 of the NFPA National Electric Code panels. He noted that participation requires a major time commitment on the individual.

C. PIPE INDUSTRY TASK FORCE

1. Program Report

On behalf of Committee Chairman, Bill Reading, Task Force member Ray Pohlman of Shintech highlighted activities of the Task Force since the last Board Meeting, referencing material included under Tab G of the briefing book for this meeting. He specifically noted that the benchmark survey being carried out by Sommers and Associates in two phases should be completed by June 1st. He stated that the results of the survey will be used to shape the programs and communication activities of the Task Force for the next fiscal year.

Pohlman noted that the report on the joint VI-PPFA research project at IFT Inc. on fire testing of PVC pipe behind steel-studded walls will be completed by March 31st. Gottesman noted the value this research could have in expanding the markets beyond currently-approved applications. He noted that discussions have been scheduled with representatives of several pipe companies on how to best incorporate this work into the codemaking process.

Mr. Struber reviewed the current consideration by the National Sanitation Foundation of Standards 14 and 61 as they relate to DWV and received the recommendations of the Plastic Pipe and Fittings Association regarding the need to continue both standards. Following a brief discussion, Mr. Flammer asked Mr. Struber and Mr. de la Cruz to draft a resolution for consideration by the Board under new business.

2. California EIR

Dr. Gottesman noted that the draft report on worker health has been prepared by the California Public Health Foundation, and noted that it includes recommendations addressing the need for improved installation procedures, a prohibition on certain practices, and a recommendation that DMF be replaced. Gottesman stated that the Plastic Pipe and Fittings Association has officially asked the National Sanitation Foundation to no longer allow the certification of solvents containing DMF.

Dr. Gottesman stated that as noted in the Executive Director's report included under Tab D of the briefing book for this meeting, he and SPI Lobbyist

Ralph Heim made two presentations on the EIR (February 27, Plastic Pipe and Fittings Association; March 2 briefing to other potentially-interested parties). Gottesman noted that there will be appropriate follow-up with those who attended for financial support.

Gottesman reviewed the process from the present to the conclusion of the EIR. In response to a question from Mr. Flammer regarding the SRI contract and related cost, Mr. de la Cruz noted that although SPI is providing funding, the contract is between the State of California and SRI. Mr. de la Cruz stated that the contract contains a "not to exceed clause". Dr. Gottesman asked Mr. de la Cruz to remind the cooperating California Counsel William Holliman to discuss this feature of the contract with the California officials. Mr. Kelly asked that the Board be provided appropriate periodic written progress reports.

D. TECHNICAL COMMITTEE

1. Program Report

Dr. Bush updated the Board on the status of programs since the preparation of the material under Tab I of the briefing book for this meeting. Of specific interest, he noted that legislation is pending on SB 196 to authorize EPA to regulate what goes into an incinerator, with a specific focus on the metals in plastics. Dr. Bush stated that at the March 8th Technical Committee Meeting, that Dr. Magee, a VI consultant had been asked to research the magnitude of the HCl issue as it relates to impact on incinerators.

2. Cadmium and Lead Position Paper

Dr. Bush noted that at the December Board Meeting, the Board discussed the "pro-active stance" on the issues of lead and cadmium and directed the Technical Committee to develop position paper(s) in the form of educational materials. Dr. Bush stated that a draft position statement on cadmium had been reviewed at the March 8th Technical Committee Meeting and summarized the diversity of opinions expressed. He further commented that the Committee intends to hire a consultant to assess the lead issue. Mr. Koral noted the need to assure that U.S.-produced goods and imported materials adhere to similar requirements and commented that for this reason, a mandated approach may be the best ultimate solution. Mr. Struber stated that it is his understanding that the Cadmium Council is in the process of preparing comments for OSHA on workplace-related issues.

Dr. Gottesman stated that the final reports on solid waste-related issues being prepared by the Environmental Protection Agency and by the Office of Technology Assessment will both address the role of cadmium and lead in the solid waste stream. He asked for some Board discussion on the value of a pre-emptive position. Mr. Kelly commented on the difficulty in taking a position on a product that is produced by others. Mr. Russ noted the difficulty of appearing to dictate positions to one's customers. Mr. Flammer stated his feelings that the VI public relations firm be asked to provide an overall public relations assessment of the VI taking a position on such issues because a position on cadmium should be considered part of an overall plan. Following an in-depth discussion on an appropriate position on cadmium, it was agreed that Mr. Luss, Mr. de la Cruz, Dr. Bush and Dr. Gottesman develop a VI position paper. Following the development of a revised paper, it was agreed that steps should be taken to get the appropriate stabilizer people involved in discussions. Mr. de la Cruz recommended that at the appropriate time, the VI might want to seek a "business review letter" from the Justice Department. It was also agreed that once the position paper on cadmium is finalized, it would be given to the Council For Solid Waste Solutions.

E. COMMUNICATIONS COMMITTEE

Mrs. Scheck reported for Mr. Reynolds on recent communications-related activities. Background information is included under Tab H of the briefing book for this meeting.

She noted that work is progressing on the development of a generic vinyl industry brochure and stated that the project is to be completed during late June/early Summer. Mrs. Scheck also noted that the Committee is scheduled to meeting March 30 to consider new program directions emanating from discussions with the Agency. Dr. Gottesman noted that the group will consider the future of AdVIsory considering its limited current circulation and high cost. He asked for a show of hands of individuals who recalled not having seen an issue since last year. No one had.

Mrs. Scheck reported on the status of the literature fulfillment program at Anderson, Dunston and Helene, Inc. (ADH) and commented on some of the ways in which the data base can be used by the individual task forces.

F. LEGAL REPORT (COUNSEL/COMMITTEE)

1. Regulatory Issues

Legal Committee Chairman, Robert Luss noted the following update on regulatory issues:

MSDS - Mr. Luss stated that the Legal Committee will be meeting jointly with the Health, Safety & Environment Committee at the Annual Meeting, at which time he intends to schedule a round table discussion on MSDS requirements and individual company practices.

FDA - Mr. de la Cruz reported that EPA's red border review of the proposed rule implementing the settlement terms of SPI v. EPA is expected to be completed within the next two weeks, with subsequent referral to the Office of Management and Budgets publication in the Federal Register. Background information is included under Tab K of the briefing book for this meeting. Also relative to EPA activity, Mr. de la Cruz stated that it is his understanding that the Agency is taking no action in the courts remand of the NRDC v. EPA case.

OSHA - Mr. de la Cruz reviewed for the Board all action taken to date by the Legal and Health, Safety & Environment Committees with respect to the EDC limits contained in OSHA's air contaminants rule as published January 19, 1989 (background information is included under Tab K of the briefing book for this meeting).

Counsel noted that as follow-up to a letter ballot on this issue, a petition will be filed with the U.S. Court of Appeals. Mr. de la Cruz reviewed preliminary discussions with the Solicitor's Office on this issue and summarized discussions with CMA's counsel concerning CMA participation in this activity.

2. Litigation Update

Pittsburgh - Mr. de la Cruz noted that background information is contained in the General Counsel's Report under Tab K. He noted that the parties have until April to complete discovery.

Chicago - Dr. Gottesman reviewed discussions with Garibaldi and Associates and updated the Board on the status of American National Bank and Trust Company of Chicago v. Chicago. (Background information is included under Tab K of the briefing book for this meeting). Mr. Luss commented on the effect the Mayoral elections may have and suggested that interface with those interested in promoting affordable housing may be appropriate. Mr. Luss further commented that the Board had previously approved the expenditure of funds to support litigation, but that to date those funds have not been expended.

F. HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

Reporting for Committee Chairman W. C. Holbrook, Mrs. Scheck noted that in addition to activity on issues reported on under the Legal Committee discussions, other activity is reported on under Tab J of the briefing book.

Mrs. Scheck stated that the VI has received all but one company's input for the Environmental Achievement and Safety Performance Awards to be given out in conjunction with the Annual Meeting. Mrs. Scheck noted the winners based upon input received to date. Lastly, Mrs. Scheck noted that no nominations were received for the Annual Safety Award. She stated that a second notice had been mailed and if any nominations were received, the vote would be taken by letter ballot to the Board.

V. **SPECIAL PRESENTATION**

A. UPDATE ON EUROPEAN DEVELOPMENTS

Mr. Prinselaar addressed the current problems being faced by the European vinyl industry.

1. PVC Waste (incineration and landfilling).

2. Cadmium and Other Heavy Metals (PVC charged with being responsible for their consumption).

3. Plasticizers (concern about safety).

4. Chlorinated Residues.

5. Carcinogenicity of VCM.

6. Accidental Fires.

Mr. Prinselaar highlighted recent activity in a number of countries, including Denmark, Italy and West Germany.

Mr. Prinselaar noted the following communication actions being taken by the European vinyl industry:

Actions

1. Reduce PVC in the waste stream by:

   - taking back identifiable PVC waste for industrial recycling.
   - recycle as much as possible consumer waste.
   - commingle where difficult to identify.
   - bring industry technical support to recycling industry (including licensing, etc.).

2. Make residue situations transparent:

   - set targets
   - improve/modernize assets

   He noted that the industry is looking at buying a commingled manufacturing facility in Worms and establishing a Joint Venture Company with APME that would make it a state-of-the-art manufacturing facility.

   Mr. Prinselaar commented on recent Greenpeace activities and noted that much of the early discussion had centered on the residue-related issues.

3. Reduce and ultimately eliminate cadmium use.

4. Research plasticizer effects and ensure that proportionality becomes apparent.

5. Communicate effectively and inform and use employees to get sensible debates.

Angiosarcoma Registry

Mr. Prinselaar reviewed his concerns regarding a presentation on the Angiosarcoma Registry before the

European Council of Vinyl Manufactures and what seems to be an apparent tendency to move the Registry into the fabricating area. He noted that it is his understanding that a similar presentation was made at the Fall 1988 Vinyl Chloride Safety Association. Dr. Gottesman noted that he is not aware of concerns by others and stated that he would ask the Health, Safety and Environment Committee to discuss the issue at their next meeting. As this meeting is to be in conjunction with the Annual meeting, he suggested that Mr. Prinselaar may wish to participate in these discussions.

B. COUNCIL FOR SOLID WASTE SOLUTIONS

Mr. Don Shea, Executive Vice President of the Council For Solid Waste Solutions, and Rod Lowman, Vice President for Government Affairs, updated the Board on the organization, structure, current programs and future activities of the CSWS.

VI. **NOMINATING COMMITTEE**

Mr. Flammer reported that Mr. Schaefer has constituted a nominating committee to develop a slate of officers to be officially voted at the next Executive Board Meeting. The members of the Nominating Committee are John Russ, Robert Petrich and Rose Mary Clyburn.

VII. **ANNUAL MEETING**

Dr. Gottesman reviewed the proposed format and program of the May 8-9th VI Annual Meeting. Mr. Russ suggested that Mr. Disch be appropriately recognized at the Annual Meeting as one of the original members of the VI Executive Board and for his efforts as a committee chairman and former Board member. This was unanimously approved. Mrs. Solin requested that the scheduled speaker on packaging issues, Robin Ashton, Editor of Packaging, be requested to contact her.

VIII. **MEMBERSHIP**

Dr. Gottesman reviewed contacts since the last membership report with potential full and affiliate members as outlined in the program of the briefing book for this meeting. Dr. Gottesman asked for assistance in identifying contacts at these companies and any other potential members.

IX. **NEW BUSINESS**

As agreed to during the Pipe Industry Task Force Report, Messrs. de la Cruz, and Struber presented the following position on NSF standards, which was agreed to unanimously by those present:

"The Vinyl Institute strongly recommends the retention of NSF Standard 14. Standard 14 incorporates physical property requirements, which we feel are so necessary to maintain a serviceable product, while new NSF Standard 61 focuses solely on potential health effects. NSF certification or seals should be available under either or both standards."

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:00 p.m.