



americhem

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July 24, 1974

Mr David R Bell
Office of Standards Development
Room 500
1726 M Street N.W.
Washington, D.C. 20210

Dear Mr Bell:

Enclosed is a copy of our comments relative to the proposed OSHA standard for vinyl chloride monomer exposure. We have chosen this method of comment rather than personal presentation.

Thank you for including it in the minutes of the proceedings.

Very truly yours,

AMERICHEM, INC.

John L Satterfield, Inc
John L Satterfield
New Products Manager

JLS/md
attachment

VVC 000005392

COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT
PROPOSED STANDARD FOR OCCUPATIONAL EXPOSURE TO VINYL CHLORIDE

Americhem is a PVC processor engaged in the manufacture of color concentrate compounds which are used by other PVC processors. Our unique position as both user and supplier puts us into close contact with all aspects of the vinyl industry and because of the multiplier effect of the low usage levels of our product, we have access to a sizable portion of the market. In addition, our management has been associated with the development, manufacture, compounding and processing of PVC resin since shortly after World War II.

It is this background of long association with this industry that makes us feel compelled to offer our comments as to the probable effects that this proposed standard will have on us and on our customer. We have no expert opinion to offer as to the existence or nonexistence of carcinogenic hazard from vinyl chloride monomer and we do agree that if a hazard does exist then reasonable steps should be taken to either eliminate it or control it. Our concern is with the very real economic impact that will be felt if over reaction causes productive capacity to be shut down rather than comply with over restrictive controls.

PVC resin is presently in short supply. Presently this is due to the combination of petroleum shortage, increased demand and inadequate production capacity. During the recent Arab oil embargo PVC processors had great difficulty in purchasing adequate supplies of resin and, as a matter of fact, some companies were unable to buy any at all. It has been our experience that shortages have not been equally distributed over the industry but rather were quite spotty in their effect with some

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users being hit quite hard while other more fortunate ones were hardly affected.

A number of reasons can be advanced for this result. Some processors through their purchasing policies had either limited their own sources of resin or had so negotiated the price that their suppliers felt encouraged to phase out their business when allocation time came. Some grades of resin had become so competitive or unprofitable that suppliers chose to discontinue them in favor of more profitable grades. Some customers were favored over others either because of geographic proximity or because of other relationships that had been developed over the years. Each situation was different but the point is, supply shortages affected different people differently and unequally.

The whole thrust of this discussion was to support the proposition that what may seem to an outside observer to be a minor disruption in supply may well have a devastating effect on some people and almost none on others. OSHA's own impact statement recognized that increased cost of compliance with the standard would threaten marginal producers. By OSHA's own figures there are seven plants out of thirty-six which produce less than 100 million pounds of PVC per year. If just one of these plants were forced to close, it is a good bet that some of their customers would not be able to replace this loss and would have to curtail their production.

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It is also a reasonable assumption that any productivity decrease in the larger plants would not be distributed evenly. For one reason or another this decrease would be unevenly felt by their customers and in all probably would result in severe hardship to some processors even to the point of closing them up.

We have had a number of experiences in which we have invested substantial time, money and effort into development programs which have fallen through when resin suppliers dried up. Jobs have been eliminated and product lines canceled not because they were non-productive or non-profitable, but because resin was not available.

Increased production costs may not be distributed equally either. Resin prices vary with grade and with volume. If product lines are dropped because of marginal profitability, some customers will be forced to use alternate grades of resin which may be considerable more costly than the proportional increased production cost. No doubt, competitive forces will connect this problem when production catches up with demand but until then some processors will bear a disproportionate share of the burden.

Another probable result of decreased domestic production will be an increase in the purchase of imported PVC resin. Aside from international balance of payment problems, importing PVC is less than desirable. Not only will any increased cost be disproportionately distributed to the industry but there is some real chance that residual monomer will

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be higher in foreign material than in domestic. If so then use of such resin will increase our hazard to domestic workers rather than lessen it.

Responsible industry experts have proposed a step wise reduction in exposure which will have minimum impact on production. We urge serious consideration be given to the adoption of this proposal. It is our view that the certainty of serious economic effects outweigh the possible benefits of an over restrictive regulation. We ask that the regulation finally adopted be established in such a way as to minimize unequal burdens on our segment of the vinyl industry.

Respectfully submitted,

July 24, 1974

John L Satterfield