

VINYL INSTITUTE EXECUTIVE BOARD MEETING

International Club
1800 K Street, N.W.
Washington, D.C.

Wednesday
August 28, 1985
9:00 a.m.

Attendees

Hal C. Andresen, Vinyl Council of Canada
Bart A. DiLiddo, BFGoodrich Chemical, Chairman
Guy E. Disch, Tenneco Polymers
John L. Russ, Borden Chemical
Robert C. Sander, Air Products and Chemicals, Treasurer
Steven W. Schaefer, Occidental Chemical, Vice Chairman
George R. Snider, Jr., BFGoodrich Chemical
Brian Suthers, Shell Chemical
Ron Taylor, Dow Chemical, Secretary
Fred Timpe, CertainTeed Corp.
Todd C. Walker, Borden Chemical

Jerome H. Heckman, Keller and Heckman, VI Counsel
Peter L. de la Cruz, Keller and Heckman
Roy T. Gottesman, Vinyl Institute

Guests: Donald Goodman, Tenneco Polymers (in part)
Alan Olson, BFGoodrich Chemical (in part)

Opening Remarks:

The meeting was opened by Dr. Bart A. DiLiddo, Chairman of the Vinyl Institute Executive Board at 9:05 a.m. He asked that those giving reports be brief so that it would be possible to move quickly to consider the items under New Business and adjourn the meeting by 2:00 p.m.

Approval of Minutes:

Guy Disch motioned that the minutes of the Annual Meeting and Executive Board Meeting held on May 2, 1985 and found in the briefing book for this meeting under Tab A be approved. The motion was seconded by Brian Suther. The minutes were approved by voice vote without correction.

Financial Reports:

VI Treasurer Bob Sander discussed the final financial report for the 1984-1985 fiscal year which is contained in the briefing book under Tab B. He noted that the results were pretty close to projections and that of the shown available funds of \$ 182,869, \$140,000 had been applied to the 1985-86

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budget. He also reviewed the Status of Expenditures for the first two months of the current fiscal year (through July 31) noting that Legal expenditures are running higher than originally budgeted due to the necessity for filing briefs to intervene in the NRDC v. EPA case. Further extraordinary expenditures are expected to help pay for SPI intervention in a case aimed at overturning the Pittsburgh Ordinance banning plastic pipe.

Bob Sander indicated that all assessments for the first half of the current fiscal year have now been received.

Committee Reports:

Codes and Regulatory- In the absence of Committee Chairman Don Hunter, Roy Gottesman reported on the Committee's activities which are found under Tab D in the briefing book. He specifically highlighted an information pamphlet which has been developed by George Snider and which is aimed at 21,000 code and building officials. This will contain contact information. He also stated that each member company will be asked to provide the names of people within their own companies having expertise in various vinyl code areas so that they could be called upon when the need arises.

Communications- Committee Chairman George Snider reported on recent activities including production of the film Fire Safety in America, the SPI film for which he served as Executive Producer, the IAFF Press Conference of August 21 (which SPI had effectively pre-empted), the appearance by Pat Toner on the August 27 "Today" program and the Crisis Communications program being developed with Marketshare. He discussed the Home and Garden show at which the Vinyl House was exhibited. Considerable favorable newspaper publicity was received including a full page color spread in the Santa Ana Register. Also a videotape of this exhibit was shown. Dr. Bart DiLiddo suggested using reprints of the newspaper article as a promotional tool. George Snider stated that a more focused approach aimed at architects, builders, engineers and specifiers is planned in the future because of the costs and manpower required to display such a house throughout the country. Mr. Andresen reported on the success the Vinyl Council of Canada had with their displays of a house and villa in building markets.

Dr. DiLiddo noted with satisfaction the aggressive posture that had been taken by SPI in meeting the challenge of the IAFF press conference. He indicated his belief that progress is being made and that over time we should be able to become a more promotional organization touting vinyl products.

Committee Reports: (continued)

Legal - Since Legal Committee Chairman Harold Fast was not present, Roy Gottesman reported on the major committee activity. He noted that the fire investigation team established by the Legal Committee had been utilized twice in July. The first situation involved a fire during the dismantling of an old water treatment plant in Cedar Rapids, Iowa in which 10,000 people were evacuated. A lawsuit has already been instituted against the city and a contractor dismantling the plant. The second fire was at the Washington, D.C. Hilton Hotel in which a transformer blew up during restart and media reports mentioned PVC coated electrical wiring. He also indicated that a generic Material Safety Data Sheet had been developed by Bob Luss of Occidental Chemical and was undergoing review by members of the Legal Committee.

Bart DiLiddo advised the group that Goodrich was still embroiled in the Younkers Department Store lawsuit and would be seeking summary judgement since there were no proofs that any of the materials involved in the fire came from Goodrich.

Manufacturing Practices - Roy Gottesman reported for W.C. Holbrook and highlighted the items given under Tab G of the briefing book. He reported on the follow-up of the June 10 meeting with representatives of Formosa Plastics' Delaware City Plant. The Formosa submission to the Delaware Department of Natural Resources and Environmental Quality has now been received from Robert Boyer, Formosa's Plant Manager and is undergoing review by members of the Committee.

Roy Gottesman handed out draft letters to Congressman Thomas Carper and Delaware State Representative Jeffery Mack prepared by Joe Ledvina of Vista. Basically these letters are meant for the VI to go on record as indicating that the gas containment system proposed by Formosa is not a real solution because these have been shown to be inadequate and impractical and that catalyst deactivation by "short-stop" systems is an effective approach. The Executive Board unanimously approved sending such letters and the Executive Director was instructed to make any needed modifications to the draft letters prior to sending them out.

Technical - Roy Gottesman also gave highlights of this Committee's report found under Tab H of the briefing book as submitted by Dr. Michael O'Mara. He specifically covered the incineration project to be undertaken in Pittsfield, MA by a group coordinated by NYSERDA. He noted that the project is divided into two phases and that Phase I is aimed at establishing the ability to control temperature and get reliable results. The VI cost for Phase I is \$ 34,600. Proceeding on to Phase II will be completely dependent on the outcome of Phase I and Ron Taylor noted that Dave Wilson of Dow, who is

a member of the Technical subcommittee on this project, had expressed some concerns about the ability to get useful data from this work. The Board was assured that Phase II would not be undertaken unless the Technical subcommittee following this project was completely satisfied and the contract being entered into with NYSERDA will be so written. Roy Gottesman also noted that APME has agreed to contribute \$ 40,000 to Phase II of the project, if the VI continues on to Phase II.

Hal Andresen reported that the Ontario Hospital Association had sought to ban PVC from use in hospitals because of the problem created by HCl liberated when PVC-based devices, viz. blood bags, are incinerated. This has not occurred because there are no suitable alternatives to PVC in these hospital-uses.

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Roy Gottesman also advised the Board that a draft of an alternate recycling bill has been developed in New Jersey, a sponsor has been found and bi-partisan support is being sought. This proposed bill includes incineration with energy recovery within the definition of "recycling".

Fred Timpe advised the Board that a moratorium has been declared in Seattle, WA on new installation of plastic pipe as a result of permeation problems. Don Goodman reported that none of the five incidents appeared to involve PVC pipe, polybutylene was involved in three cases and all occurred in highly contaminated soil. The competitive cast-iron pipe interests are capitalizing on this moratorium. The situation is being investigated by Uni-Bell PVC Pipe Association and the Plastics Pipe Institute prior to the forthcoming AWWA meeting which is to be held in Seattle. The VI will coordinate with Uni-Bell and PPI on this.

Executive Director's Report:

Roy Gottesman briefly reviewed the major issues management activities since the last Board Meeting. These are fully reported under Tab K in the briefing book.

Old Business:

The following agenda items had been covered earlier in the meeting: Formosa Plastics' Delaware City Plant VCM emission problems, the status of clearance of a PVC liquor bottle and the solid waste management issue involving incineration.

Old Business (continued):

Replies were received only from Tenneco and Occidental in response to questions raised in the June 3 letter to all member companies concerning imported PVC resins having high residual VCM contents. While information received indicates that the volume of imported resin is about 50% higher in 1985 over the prior year, there is no real case that can be made that RVC levels in imported resins are higher and so could result in processors exceeding the OSHA action level. It was concluded that we are not in any position to do anything on this issue at this time. Jerry Heckman noted that there is a strong and growing protectionist movement in Congress which might gain further support should President Reagan veto the shoe import bill. If this occurs, the VI may wish to urge SPI to get involved in the protectionist issue.

New Business:A. Approval of Membership Application from Georgia Gulf Corp.

Ron Taylor made a motion that the membership application from Georgia Gulf Corp. be approved and that Georgia Gulf be admitted to full regular membership in the Vinyl Institute. The motion was seconded by Steve Schaefer and unanimously approved.

B. Relocation of Vinyl Institute Offices

A proposal for relocation of the Vinyl Institute offices prepared by the Executive Director dated August 14 had been sent to all Board members by Chairman DiLiddo. In presenting this, Bart DiLiddo noted that SPI had moved its headquarters from New York City to Washington and that, for the time being, a New York Office was being maintained. He stated that by SPI by-laws divisions have discretion on location and that it was perfectly within the SPI by-laws for operating divisions to locate where they desire.

After discussion, Todd Walker made a motion that the Executive Board approve relocation of the Vinyl Institute offices to a Northern New Jersey location effective January 1, 1986 and that the Executive Director be authorized to proceed with locating suitable space consistent with the information provided in the proposal for relocation. The motion was seconded by Guy Disch and was passed unanimously by voice vote.

It was also agreed that some negotiation with SPI was in order to obtain financial credit for the space and services that would no longer be provided after relocation. Bart DiLiddo indicated that he would be happy to pursue this with

SPI. Further, at the request of Roy Gottesman, Bob Sander and Steve Schaefer agreed to visit the final office location being considered to give their concurrence.

C. Incinerator Project Expenditure Approval

Bob Sander made a motion that the Executive Board authorize the expenditure of \$ 109,600 for participation in the Pittsfield incineration project being coordinated by the New York State Energy Research and Development Authority (NYSERDA) and that the Executive Director be authorized to enter into a contract for same. This motion was seconded by Steve Schaefer and passed unanimously by voice vote, it being understood that the only firm commitment is the expenditure of \$ 34,600 in Phase I. The second phase at a cost of a total of \$115,000 would only be authorized if the Technical subcommittee is convinced that meaningful results will be obtained based on the preliminary work in Phase I. Of the \$ 115,000, \$ 40,000 will be contributed by APME and a separate letter agreement with APME will be entered into to cover this.

D. Proposal to Carry Out Leaching Studies on CPVC/PVC Pipe

Alan Olson reviewed the background on the California EIR. The State of California contract with Versar has been cancelled and the state is now considering doing the leaching studies at the University of California at Berkeley. It is unlikely that this work can be completed by the time the SRI contract for the EIR runs out at years' end. He stated that all data and documents submitted for the record must be considered by the lead agency but not necessarily embraced.

Don Goodman presented a very strong case for the VI to carry out its own studies at McKesson Environmental Sciences, Dublin, CA stating that personnel now are available, might not be if the project were taken on at a later time, and that McKesson would dismantle the equipment used for the metal pipe testing. Such a study would be useful in states other than California and would enable a comparative risk assessment. He estimated the total project cost to be \$ 162,000 including the risk assessment work but by application of \$12000 from current pipe-related projects, he requested Board approval for an expenditure of \$ 150,000 for this work.

Bart DiLiddo noted that while it is an uphill struggle, we should first explore getting the State of California to pay for the proposed studies at McKesson and it was indicated that the new attorney, Bill Holliman, was laying the groundwork for the state to do oversight on a study that industry would pay for. The protocol to be used at McKesson would be that approved for the EIR.

Todd Walker suggested that approval be given to the Technical Committee to carry out the study recommended by Don Goodman, said approval being contingent upon the Technical Committee exploring first, within seven days, getting the State of California to fund this study. If the state cannot be convinced to do so, the VI would proceed promptly to carry out the work.

It was pointed out that there are no funds available for this proposed project and that, pending availability of some funds not already spoken for, there could be the need for an additional assessment in the area of \$ 100,000 to \$ 120,000.

Guy Disch made a motion that the study be approved, contingent on first exploring State of California funding this project (as suggested by Todd Walker) and that should it be necessary for the Vinyl Institute to totally fund this project, an additional assessment be levied to cover the funds needed. The motion was seconded by Todd Walker and was passed by a vote of 8-2, negative votes being cast by Ron Taylor and Brian Suthers.

E. Proposal for VI Sponsorship of Cooperative Effort with Uni-Bell PVC Pipe Association

In the absence of Don Hunter, Roy Gottesman presented the proposal from Uni-Bell PVC Pipe Association for a cooperative program that would enable expansion of their pivotal cities program to increase PVC use in larger diameter pipe markets. He indicated that the Codes and Regulatory Committee was in favor of the program, that details of cities to be involved remained to be worked out but what was now being sought was approval in principle from the Board to financially underwrite this program at a cost of \$ 50,000/yr. for a minimum of three years.

Fred Timpe stated that real opportunities exist in the market place for 14, 16 and 18 in. diameter C-900 PVC pipe and 18 to 30 in. sewer pipe that could result in moving an additional 100 million pounds of PVC resin next year. He stated that Uni-Bell has only 6 member companies and does not have the resources to do specification work. He believes this is more important now because pipe distributors are promoting ductile iron due to PVC price volatility.

While this program could be of interest, budgetary limitations precluded further consideration until the next Board meeting. Bart DiLiddo asked Roy Gottesman to work with Bob Sander and re-examine the budget to determine if money can be found within the framework of the current budget to support this pivotal cities program. All committee chairman will be asked to reconsider all programs to determine if any funds can be

made available.

SPI Strategic/Operating Plan:

Bart DiLiddo reported that the Strategic/Operating Plan has been adopted by the SPI Board. He expressed his satisfaction with the manner in which SPI is now being managed under its new President, Chuck O'Connell.

Adjournment:

There being no further business, the meeting was adjourned at 2:00 p.m. on motion of Guy Disch, seconded by Bob Sander and unanimously approved.

The next Executive Board Meeting will be held at the International Club in Washington on December 4.

Respectfully submitted,



Roy T. Gottesman

Approved by Ron Taylor, Secretary on Sept. 5, 1985