



CC 11/7/85 TO: K. GARNER,
J. MITZNER BURLIN
M. HANDLER, ADDIS
L. WOOD NIAGFALLS
D. LULL
November 4, 1985

Roy T. Gottesman
Executive Director

TO: Vinyl Institute Executive Board
Vinyl Institute Manufacturing Practices Committee
Vinyl Institute Legal Committee

RE: Formosa Plastics Delaware City Operation

As you are aware, Formosa Plastics Delaware City operation has had a series of recurring problems on VCM emissions that ultimately resulted in its entering into a consent order with the State of Delaware Department of Natural Resources. I enclose copies of two articles from The News Journal of Wilmington, DE of October 26, kindly sent to me by Bob Sanders, which contains new information on this continuing situation.

I am also indebted to Frank Borelli, plant manager of Georgia Gulf's Delaware City plant, for the following latest information.

1. Responding to the State's plan to revoke all environmental permits, Formosa went into Chancery Court to challenge the authority of the State of Delaware to revoke these permits. The Chancery Court ruled late last week that the state did indeed have the power and it upheld the revocation plan.

2. Word then came out that Formosa would be shutting down and, as of this morning, the plant appears to be in a phase of shutting down.

3. The plant manager, Robert Boyer, has been replaced by a Formosa employee from their Texas operation, Larry Payton. Payton is quoted as saying that bringing the plant into compliance would be "easy", a statement hard to understand or believe in view of the numerous emissions problems that have occurred.

4. Formosa is continuing its legal challenge, having gone into Superior Court today appealing the Chancery Court decision.

We will keep you advised as we learn further developments on this case.

Sincerely,

A Division of

THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

355 LEXINGTON AVENUE • NEW YORK, N.Y. 10017 • (212) 503-0652

OCC 4724