minutes

SPI

Vinyl Institute Executive Board Meeting

Asian Room
International Club
Washington, D.C.

Wednesday
December 4,1985
9 a.m.

Attendees:

Bart A. DiLiddo, BFGoodrich, Chairman
H.C. Andresen, Vinyl Council of Canada
Peter Cornes, ICI
Guy Disch, Tenneco Polymers
H.R.Flammer, Vista Polymers
Bob Sander, Air Products and Chemicals
Steve Schaefer, Occidental Chemical
Bill Shoun, Dow Chemical
Fred Timpe, CertainTeed Corp.
Todd Walker, Borden Chemical
David Wallis, PPG Industries
Bob Luss, Occidental Chemical

Peter de la Cruz, Keller and Heckman
R.T.Gottesman, Vinyl Institute
Charles E. O'Connell, SPI
Meredith N. Scheck, Vinyl Institute

Opening Remarks:

The meeting was opened by Dr. Bart A. DiLiddo, Chairman of the Vinyl Institute Executive Board at 9:15 a.m. He asked for self introductions and asked that those making presentations not restate material enclosed in the Briefing Book, as he hoped to adjourn the meeting by noon. DiLiddo announced that there will be a brief "executive" session of the Board immediately following the scheduled meeting.

Approval of Minutes:

Bob Sander motioned that the minutes of the August 28, 1985 meeting of the Executive Board found in the Briefing Book for this meeting under Tab A, be approved. The motion was seconded by Rick Flammer. The minutes were approved by voice vote without correction.

Financial Report:

VI Treasurer Bob Sander discussed the status of expenditures through October 31, 1985, as found under Tab B,of the Briefing Book. He noted, that as a result of the August 28, 1985 meeting of the Board, VI Executive Director Roy Gottesman, in conjunction with Sander, reforecast the budget as presented under Tab C. Sander noted that if no new projects were presented, and that if all projects already approved by the Board are fully funded, we will end this fiscal year with $8320.75 balance. This assumes that no new projects can be initiated unless a currently approved program is either halted or deferred. Further, this assumes no unusual or unexpected legal expenditures. It was noted that the revised budget does contain expenditures for the research work being conducted at McKesson.

Sander suggested that the Vinyl Institute consider going to a two-year budget cycle, which would allow longer term planning of projects. He noted that this should be helpful to Committee Chairmen in their planning and it would demonstrate continued commitment on the part of the VI members. Sander suggested that a two year budget may be constructed being "90 percent firm" in the first year, with a projected "75 percent firm" in the second year.

Gottesman noted, that he is planning on convening a meeting of the Committee Chairmen early next calendar year to begin the review cycle for the the FY 1986-87 year budget, to be presented at the Annual Meeting of the Board in May.

Sander also cautioned counsel to be mindful of the budget, expecially the heavy "up front" expenditures that occurred this fiscal year. Peter de la Cruz noted that the extraordinary expenditures early this year were due to work with outside counsel (Beveridge and Diamond) relating to the oral argument in the NRDC vs. EPA case without additional charges being made. Additionally, De la Cruz noted that Keller and Heckman is committed to not exceeding their proposed budget.

Wallis inquired how the budgets of Fiscal 1984-85 and Fiscal 1985-86 compared in terms of carry over and assessments to the members, and what the assessments for the next fiscal year would be. In response, Gottesman reviewed the budget mechanism that has been used to date:

- Review of proposed budgetary needs by VI Committees;
- Review of committee submissions by VI Executive Director;
- Review of recommendations of Executive Director by Officers of the VI Executive Board;
- Presentation of proposed fiscal year budget to the VI Executive Board at the VI Annual Meeting.

There being no further discussion, the proposed revised budget for Fiscal 85-86 was approved as presented.

COMMITTEE REPORTS

Codes and Regulatory Committee

Meredith Scheck presented the Codes and Regulatory Committee's report in absence of Chairman Don Hunter. In addition to the material presented in the Committee's Interim Report (included under Tab D,of the Briefing Book), Ms. Scheck, highlighted several other items for the Board. These included discussions held between Ms. Scheck and Mr. Robert Walker of Uni-Bell relating to reopening discussions for VI funding and participation in the Uni-Bell "Pivotal Cities" program during the VI's next fiscal year. Ms. Scheck noted that this item will be discussed at the Committee's January meeting and that a proposal will be presented by Chairman Hunter at the Committee Chairman's meeting.

On other items, Mrs. Scheck noted that:

a) The Codes Brochure will be disseminated shortly after the VI office is relocated.

b) Consolidated Aluminum has asked for VI support of a proposed code change made by the Company to the ICBO. This change will be considered during the Code Development hearings in January, 1986. Following a brief discussion of a similar issue that arose during the time of NPE '85, it was noted that legal committee/counsel review of the proposed language would be sought prior to VI endorsement.

c) ASTM is meeting during the week of December 9th, and that one of ASTM E-5's task groups will consider recommending that peer review work take place on the Pittsburgh protocol.

d) U.S. Navy, at its Second Navy Passive Fire Symposium, reviewed two new specifications (Mil C 24643 and Mil C 24640) that all installation of new cables after October 1986 must meet. Ms. Scheck noted that between now and March 1986, the Navy has allocated $30 million for the purchase of new cables from the five companies supplying material that meets the new specs. Ms. Scheck further noted that this action by the Navy could impact upon discussions that take place during the consideration of proposed changes to the 1987 National Electrical Code (May 1986).

Following a lengthy discussion on the background of the Navy specs, as well as, on the proposed amendments to the NEC made by Union Carbide, Mr. Charles O'Connell noted that he is willing to speak with appropriate Carbide personnel following a thorough briefing on the background. Dr. DiLiddo noted that the industry had failed when it allowed the FAA to write PVC out of the aviation wire and cable business and that the industry must be vigilant in protecting its product. Dr. Gottesman noted that the Navy indicated a year ago its willingness to allow PVC to be used if the product can meet all specification requirements except the Cl_2 analysis and a limit of .2 percent chloride.

Communications Committee

Dr. Roy Gottesman gave the Communications Committee report in lieu of Committee Chairman George Snider. In addition to those items included in the Briefing Book under Tab E, Dr. Gottesman distributed copies of the AdVIsory. He requested that Executive Board members contact him with names of recipients and that he would produce a master list. (Note: A request for mailing lists was mailed by Ms. Scheck on December 5, 1985, with a return date of December 19).

Gottesman noted that as a result of a tremendous number of requests for the VI Technical Papers, originally printed in 1983, Bill Carroll has suggested the appropriateness of updating these papers. He will be working on this project with Jim Rutledge of Vista.

Legal Committee Report

Dr. DiLiddo noted that Harold Fast will be retiring from BFGoodrich at the end of the calendar year and upon recommendations of the Legal Committee and the Executive Director, he has asked Robert Luss of Occidental to assume the Chairmanship of the Legal Committee.

Mr. Luss then gave the Committee's report. In addition to those items included under Tab F, he noted that the Legal Committee will become more involved in the day-to-day operations of the VI and will begin working with the other committees on an "as needed" basis.

It was the consensus of the committee that an appropriate resolution expressing the thanks of the Board to Mr. Fast be developed and presented by Dr. Gottesman.

Mr. Luss also noted work on the development of a generic MSDS. He noted that there is some concern among member companies that the differences in MSDS from one company to another (although they are minor) could present legal problems.

Manufacturing Practices Committee

Ms. Scheck gave the report of the Manufacturing Practices Committee in the absence of the Chairman, W.C. Holbrook. In addition to those items included in the Briefing Book under Tab G, it was noted that CMA has been invited to attend the next meeting of the Committee (scheduled for December 19, and 20). The goal is to develop a working relationship with CMA to assure that the two organizations are not doing duplicate work for the industry, and to assure that the resources available to the industry are being used in an efficient and effective manner.

Technical Committee

Dr. Roy Gottesman delivered the Technical Committee report in the absence of Committee Chairman Dr. Michael O'Mara. In addition to the material included under Tab H, of the Briefing Book, Dr. Gottesman gave the following updates based on the Committee's December 3rd, meeting:

1. Solid Waste Management: Dr. Gottesman noted that the first phase of the work being conducted at NYSERDA has been completed and that the statistical analysis of that work is scheduled for completion the week of December 9. There will be a meeting in January with NYSERDA that is preliminary to the VI's participation in Phase II of the project. It was noted that Phase II is scheduled to begin in January 1986.

2. Permeation: Dr. Gottesman reviewed (for project leader Don Goodman) the work on Phase II at Battelle. It was noted that this work along with that conducted by KIWA will be presented during the AWWA Meeting in Houston during the week of December 9. It was noted that the Ad Hoc Committee on Permeation recently met and that Plastics Pipe Institute Executive Director Stan Mruk would be present at the AWWA meeting.

3. Plastic Pipe Leachate Testing: The work that has taken place to date at McKesson Labs on Leachate Testing was reviewed by Dr. Gottesman (in lieu of project leader Don Goodman). It was noted that the studies will be completed in January 1986, with the risk assessment component of the project to be completed by March. It was noted that Dr. Arthur Furst will be doing the risk assessment work. Following a lengthy discussion of how best to"package" the results of the McKesson work with the State of California and with other interested parties, it was suggested that at least to some degree coordination with the Ad Hoc Pipe Resin Producers Committee would be appropriate.

   Mr. Sander suggested that the issue of notification in compliance with TSCA be reviewed and discussed at the March meeting. It was the consensus of the Board that an overall strategy on how best to proceed with releasing the results of the research be developed in conjunction with the Codes and Regulatory and Technical Committees. It was agreed that Mr. Luss and Mr. de la Cruz begin to consider what the appropriate steps may be.

4. Medical Program: Dr. Gottesman reviewed in detail the presentation made by Dr. Hinderer at the December 3rd, Technical Committee's program which updated the report on the SWRI studies. It was noted that the next step is to burn PVC as part of the studies; such work to be completed by the end of the first quarter of 1986. Dr. Gottesman also noted that Hans Weil, of Tulane will be reviewing the research results at a consultant to the VI.

Legal Counsel's Report

Peter de la Cruz delivered the Legal Counsel's report, expanding upon the information contained under Tab I of the Briefing Book. Of specific interest Mr. de la Cruz noted that:

1. The Associate Commissioner of the FDA is scheduled to meet during the week of December 9th with the Commissioner and it is the intention to have HHS and OMB sign off on the document at the earliest possible date, perhaps before the end of the year.

2. EPA's regulatory agenda notes that the revised NESHAPS on vinyl chloride should be out by May 1986. Mr. de la Cruz noted that EPA counsel do not believe that the release of the revised standard is tied to the NRDC vs. EPA case, but rather that they are two independent proceedings.

3. NRDC vs. EPA - The D.C. Court of Appeals is now behind schedule and the earliest time for scheduling of oral arguments could be in February 1986, with a decision 3-6 months after oral arguments. Counsel further noted that it is NRDC's intention to file an action on the new EPA standard.

4. Counsel suggested that the members of the Board may wish to review the provisions of the Criminal Fine Enforcement Act of 1984 due to the potentially broad ramifications of its Federal Criminal Penalty Provisions. Note: A brief review is contained in the Counsel's report as contained under Tab I.

5. Counsel reviewed the status of the interpretation of the Pittsburgh ordinance that prohibits certain uses of plastic pipe and conduit, making specific reference to the fact that Mistick doesn't want to "charge ahead", although it has not withdrawn its challenge. Following a discussion on expenditures to date on the case (de la Cruz noted that approximately $3000 has been spent out of the SPI IMC budget), Dr. DiLiddo recommended that we should continue to pursue until we get to a high expenditure level and then consider appropriate steps. Mr. Timpe noted that this interpretation of the ordinance only affects DWV, and that problems with electrical conduit continues.

State Legislative/Regulatory Report

Ms. Scheck updated the Board on state legislative/regulatory initiatives that impact on the vinyl industry. Updating those items contained in the Briefing Book under Tab J, Ms. Scheck noted that restrictive proposals in the solid waste arena will reemerge in January 1986, when legislatures in New Jersey and Pennsylvania reconvene. Additionally, Ms. Scheck reviewed the hearings to date that have taken place in New York State on the proposed amendments to the Building Code, and referenced the statement offered by SPI Technical Director H. Pat Toner.

Executive Director's Report

Dr. Roy Gottesman expanded upon the Executive Diector's Report contained under Tab K. Dr. Gottesman stated that after the last Board meeting he examined several suitable, available office locations. Subsequently, three were visited by VI Treasurer Robert Sander. Dr. Gottesman noted that as of December 4th, he is awaiting final signature on the 3-year leased by the SPI President; assuming early approval, the office should be relocated on/about January 15, 1986.

COMMUNICATION WITH THE STATE OF DELAWARE AND PREPARATION OF COMMUNITY HEALTH DOCUMENT

Dr. Gottesman led a lenghty discussion on the background leading to the revocation of the permits by the State of Delaware that allowed Formosa to operate its Delaware facility. He also updated the Board on the start up of the Formosa emulsion plant ten days previously. Dr. Gottesman reviewed the contents of his November 27, 1985 letter to the Board (Subject: Development of VI Response Document; Community Health and Safety Impacts of VCM Emissions). As noted, the aim of such a VI response document would be to put all information available on community health and safety impacts of VCM releases into one document. Dr. Gottesman noted that he believes that such a document could be useful in helping Delaware shape their guidelines that are now under development, and could also be a useful document for companies to have in conjunction with material developed in response to EPA's Chemical Emergency Preparedness Program.

Dr. Gottesman noted that his thinking is to assemble a small group of member company representatives that could begin working on preparing such a document prior to the next Board Meeting. Such a group would include: Bob Hinderer of BFGoodrich; Ted Torkelson of Dow; John Barr of Air Products; W. C. Holbrook of BFGoodrich; and a representative of the VI Communicatins Committee. Dr. Gottesman requested that if any members of the Board have suggestions on apppropriate resources within their companies to notify him at an early date.

Counsel commented that he believed this was a good project for the VI as EPA's Hazard Communication Program goes forward. Mr. Sander noted that the Governor of Delaware has been under enormous pressure to respond and that such a document could be helpful.

As part of the discussion on Formosa's Delaware facility, the Board discussed how to best follow-up with the appropriate Delaware authority. It was agreed, that Counsel would pursue getting copies of the appropriate documents in Delaware (distributed to Executive Board December 9, 1985). The Board agreed to a suggestion offered by Dr. DiLiddo: That after each Board member gives his thinking to Gottesman on how best to communicate with the state, and that final agreement on the contents of such a communication to Delaware Governor's Castle be made by a telephone conference call.

OLD BUSINESS

Phthalate Esters:

Dr. Gottesman noted that he has been apprised by the SPI Director of Public Relations, that the CPSC staff briefing package on this subject is to go forward to the Commissioners either December 4 or December 5. As soon as this Briefing package is received, a copy will be distributed to the Board. Dr. Gottesman noted that reports indicate that the package will recommend that industry adopt a voluntary standard to eliminate DEHP from children's toys and baby pacifiers.

PVC Fire Litigation Update:

Dr. Gottesman directed the attention of the Board to the document contained under Tab L in the Briefing Book, a memorandum from Carl Henlein which contains both current status report on PVC fire litigation, and discusses future potential problems.

NEW BUSINESS

Discussion of Ideas for FY 86-87 Program and Budget

Dr. Gottesman stated that he intends to convene a meeting of all VI Committee Chairmen early in 1986 (January) to plan future programs and develop a budget for the next fiscal year. Dr. Gottesman asked the Board for their thoughts on future programs/activities, which they feel should be either emphasized or accelerated. Additionally, he asked for some early direction on overall budget. Dr. Gottesman noted that he intends to report on the Committee Chairman's meeting at the next Board Meeting, that a proposed budget reflecting the Committee's ongoing and proposed projects would be presented to the VI Finance Committee in March, and after any Finance Committee changes/ revision would be presented for Executive Board approval at the May 1986, Annual Meeting.

Dr. Gottesman further noted that the Communications Committee has already adopted a more pro-active approach this fiscal year (i.e., the use of the vinyl house). Additionally, he has been thinking of suggesting that the Codes and Regulatory Committee be renamed the "Market Development" Committee and that its goals be expanded. With that approach, the previously discussed cooperative program with Uni-Bell would be an example of the types of projects that the committee would undertake.

Dr. DiLiddo asked whether the VI should again consider expanding the VI membership to include other classes of members. Mr. Andresen explained in detail the recent experience in Canada and noted, that as of January 1, 1986, the Vinyl Council of Canada will be going downstream to the pipe, siding, and profile/extruder community. This will, he noted, change the original composition of the Board. Mr. Schaefer noted that the unity of purpose has been relatively easy to achieve in a small group and indicated that he did not believe that VI members would benefit from a diluted membership. Mr. Disch noted that while there are many natural allies in specific markets, that they have, not to date, found SPI membership attractive. Mr. Schaefer noted that the Board needs some proposal from the VI Committees on how best to assume a pro-active approach.

Adjournment

There being no other business, the Executive Board meeting was adjourned at 12 noon. A brief closed executive session followed. In addition to the members of the Executive Board, Counsel and SPI President O'Connell, attended the closed session. (Letter Attached).

Respectfully submitted,
Meredith N Scheck
Meredith N. Scheck

As approved by Robert D. Luss, Esq. Dec. 17, 1985

Occidental Chemical Corporation
PVC Products

Robert D. Luss

December 5, 1985

Ms. Meredith Scheck
The Vinyl Institute
355 Lexington Avenue
New York, New York 10017

Dear Meredith:

The purpose of this letter is to advise you that the Executive Board of the Vinyl Institute at its December 4, 1985 meeting approved a three-year extension of the employment agreement between Dr. Gottesman and SPI. Furthermore, the Board requested that S. W. Schaefer and I meet with Dr. Gottesman for the purpose of negotiating the three year agreement.

Please include the above in the minutes of the December 4, 1985 meeting.

Sincerely yours,

RDL/rm

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DEC [illegible]

OXY

Armand Hammer Boulevard Box 699 Pottstown Pennsylvania 19464 215 327-6425