

INTER-OFFICE MEMO

TENNECO CHEMICALS, INC.

ENV

VCM

1975

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FROM Mr. J. P. Ekberg AT Saddle Brook COPY TO Mr. R. H. Marks
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SUBJECT VCM - Its Impact On The PVC Industry

Summary

On August 25 a preliminary meeting was held to consider the accumulated impact of the adverse VCM publicity of the past two years on the PVC industry and to recommend, in broad terms, programs to repair the damage done.

Present were Messrs. Anderson, Beyer, Disch, Ekberg, Gosztonyi, Kilcullen, Haymon, Minkus, Ritter, Saggese and Sheeran.

The unfavorable VCM publicity of the past two years has had an adverse effect on Tenneco Chemicals in several ways. By and large, however, the major impact has been reduced sales of resins and rigid film and sheet to customers directly involved or one step removed from the packaging of food and drugs. A secondary effect has been a reduction in the design of new systems which use PVC as a basic material of construction. Impact on the general public, although substantial in the beginning, has died away.

Discussion

1. Designers, engineers and similar creative professionals are tending to design around PVC in those new applications where PVC is a logical material of construction. They are recommending other materials where practical. As a result, there is a marked reduction in new applications for PVC as measured by call reports from salespersons in the Polymers business group.
2. There has been a substantial reduction in the use of PVC for packaging of foods, drugs and cosmetics, but not for other uses. This is reflected by reductions or discontinued sales of both resin and of packaging materials such as Mirrex to a number of important packagers. The volume lost at accounts such as Kraftco, Oscar Mayer, Milprint and others is measurable. The numbers, however, are clouded by other factors, for example, the economics of using polystyrene in place of PVC at Kraftco.
3. There have been a number of widely varied users of PVC who have by executive edict discontinued its use in areas other than food and drug applications. They include companies such as Proctor & Gamble, Alcoa and Sears & Roebuck. On the other hand, the Ford Motor Company, vinyl leader in its industry, recently announced a substantial expansion of its vinyl processing facilities.
4. VCM appears to have not been a major concern of our employees. The fact that we have no history of angiosarcoma has undoubtedly helped

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Recent publicity, however, from the Environmental Protection Agency regarding emission of carcinogens, including VCM, by New Jersey plants has resulted in employee concerns. Benzene emissions at Fords is an example. This information, which is at best incomplete and misleading, has added fuel to the fire caused earlier by allegations that the State of New Jersey is "Cancer Alley" because of chemical emissions. Because of OSHA standards, which are now being met at Tenneco PVC plants, vinyl chloride monomer does not appear to be a critical morale problem. Lead and other substances are receiving much more attention - for example, Burlington compound plant. At Flemington there remains latent concern over the transportation of vinyl chloride monomer by tankcar and tank-truck. At Pasadena the Texas League of Women Voters were successful in substantially delaying our obtaining a construction permit for a major expansion of the PVC plant.

5. The general public appears to have quieted down and this may well be the result of less attention from the general press to the VCM problem. Furthermore, there appears to be little concern now over whether PVC is used in shower curtains, on the kitchen floor or wherever. Furthermore, there does not appear to be any resistance to accepting new applications for vinyl and even the packaging of food is getting little attention. It is doubtful that any significant segment of the general public is even aware that Proctor & Gamble, for example, has discontinued the use of PVC closures in detergent bottles. With the general public the overall credibility of business in general is the major problem. VCM in particular and carcinogens in general are only a small part of the problem.

Recommended Action

It was the consensus of this group that programs designed to repair damage caused by the VCM controversy be designed to speak very specifically to the problems that have resulted. Shotgun advertising and public relations may do more harm than good. In a number of cases the injuries have healed with the passage of time. In all cases the various publics involved, particularly our customers, employees, plant communities and the general public must be dealt with separately.

Coordinated industry approaches have been only modestly successful because of the wide diversity of opinion as to the extent and direction of programs. An MCA Ad-Hoc Committee never got off the ground and the SPI "VCM-PVC Action Program" will probably be phased out at the Steering Committee Meeting in September.

If something is to be done, Tenneco Chemicals must do it. Suggested action includes the following:

1. Hard selling must be utilized by special task forces to insure consideration of PVC by design engineers. Such selling should be supported by factual promotional material to acquaint creative professionals with the cost-performance characteristics and the safety of PVC.

2. In the food and drug area we await proposed regulations by FDA covering the VCM content of package materials. The present administration may delay a decision hoping to hand what may be a hot potato to its successor. In the belief that we can live with the regulations when they are issued, we must push for FDA action. Lack of action has been at least one reason for problems at the major food packagers. Meanwhile, we will continue to advertise our accomplishments in removing VCM from our sheet and film. We need to be ready to capitalize on our position vis-a-vis the FDA regulations when issued. Polymers has little to achieve in either advertising or promotion at this time, but they need to be ready to help their customers who may be in the food and drug packaging area.

3. High level task forces will make plans to attack negative decisions regarding the use of PVC by companies such as Proctor & Gamble and Alcoa. The Polymers & Plastics Division has this responsibility. Visual aids will be provided where indicated.

4. Employee concern over reported carcinogenic emissions in New Jersey should be handled on an individual basis. The policy paper on the corporate medical program is being distributed within the company and is being used with employees such as those at Fords where emissions concerns have been expressed. However, we must be ready to implement the plans outlined in this paper or credibility will vanish. This paper is also to be used in community relation contacts where a new affirmative public relations program is indicated.

5. Taking on the general public to acquaint them with the true PVC situation is a monumental task and is not now indicated because of low level of public concern. We are, however, involved in a League of Women Voters seminar on chemical carcinogens in Texas and plan to make a strong contribution. There is under consideration a similar seminar to be supported by the Chemical Industry Council of New Jersey and others and sponsored by Rutgers University with a planning session by top leaders of New Jersey chemical industry to be held in the near future.

If I have left out any important details of the meeting, please advise. This report and any additions or corrections will be used by Mr. Beyer and Mr. Duffus in planning programs for next year.

J. P. ERBERG

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Distribution:

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