

VI EXECUTIVE BOARD MEETING

Atlanta Airport Marriott
4711 Best Road
College Park, Georgia

Thursday
December 12, 1991
8:00 a.m.

Attendees:

Ray Azrak, Union Carbide
J. Alan Bailey, OxyChem
Pat Benkner, VI
Bob Burnett, VI
Peter de la Cruz, Keller and Heckman
Rick Flammer, Vista Chemical
Art Gellner, CertainTeed
Roy Gottesman, VI
Jerry Heckman, Keller and Heckman
Jerry Koral, Atochem
Fred Krause, BFGoodrich
Len Krauskopf, Exxon Chemical Company
Donna Magill, PPG Industries
Robert Margevich, Akzo Chemicals
David Meeker, Edward Howard
William Patient, BFGoodrich
Willem Prinselaar, EVC
John Russ, Borden Chemicals and Plastics
Meredith Scheck, VI
Ed Schiffer, Georgia Gulf
Erv Schroeder, Shintech In.c
Rick Smith, Vista Chemical
Nelson Stefany, Rohm and Haas
Vic Struber, Argus Division, Witco
Roger Wilson, GE Specialty Chemicals

I. OPENING OF MEETING AND SELF-INTRODUCTIONS

Executive Board Chairman John Russ convened the meeting at 8:10 a.m. and asked for a round of self-introductions.

II. CHAIRMAN'S REPORT ON EXECUTIVE COMMITTEE MEETING OF DECEMBER 11, 1991

Mr. Russ stated that at the December 11, 1991 Executive Committee meeting, Mr. Burnett was named Executive Director of

the Institute effective February 1, 1992. Mr. Russ asked that appropriate notice of this appointment be disseminated.

III. APPROVAL OF MINUTES OF EXECUTIVE BOARD MEETING OF SEPTEMBER 13, 1991

Mr. Struber moved that the minutes of the September 13, 1991 Executive Board meeting as included under Tab A of the briefing book be approved with the following changes:

- a. Mr. Krauskopf's company affiliate should read "Exxon Chemical Company"
- b. Item VIII, line 13 should read "post-hearing".

Mr. Stefany seconded the motion and it was approved without objection.

IV. FINANCIAL REPORT

A. Status of Current Expenditures

On behalf of VI Treasurer William Patient, Roy Gottesman reviewed the Cash Basis Statement of Revenues and Expenditures for the period ending October 31, 1991 under Tab B of the briefing book. Dr. Gottesman noted that this statement reflects no unanticipated expenditures. Additionally, Dr. Gottesman noted a fund balance of \$126,726 at the completion of the first five months of the Institute's fiscal year.

B. Year End Projection: Fiscal Year 1991-1992

Dr. Gottesman reviewed the projected year-end financial report for the current fiscal year (June 1, 1991-May 31, 1992) as included under Tab C.

Dr. Gottesman stated that under the category of Direct Project Costs the amounts under column 2 had been developed by annualizing the expenditure history of the first five months of the fiscal year. He further commented that these numbers are, therefore, estimates and may or may not be correct at the end of the fiscal year.

Dr. Gottesman commented that bills for the second half of the fiscal year assessments were mailed in early December to allow members to pay in calendar year 1991 or 1992 depending on their corporate fiscal year. He noted that depending on the timing of receipt of these assessments, that the VI fund balance may be in deficit in December.

C. Fiscal Year 1992-1993 Budget Development

Dr. Gottesman stated that the budgeting process for Fiscal Year 1992-1993 has already been initiated within the committees and that a proposed budget will be presented at the March 18 Executive Board meeting. This budget will include projects by priority designation. The Fiscal Year 1992-1993 budget will be subject to final approval at the Executive Board's May 27 meeting.

V. ORGANIZATIONAL: MEMBERSHIP

Mr. Russ noted that due to the sale of its PVC resin manufacturing facilities, Mr. Rash of PW Resin submitted a letter of resignation from the Vinyl Institute on behalf of his company. Mr. Schroeder moved that this letter, included under Tab P, be approved. The second to the motion was made by Mr. Flammer and the motion was unanimously approved.

VI. SOLID WASTE MANAGEMENT

A. Vinyl Institute Group on Recycling (VIGOR)

The Chairman of VIGOR, Fred Krause, updated the Board on the status of the committee's activities to implement the 2 initiatives approved at the Executive Board's September 13 meeting.

1. Autosort Demonstration Facility

Mr. Krause updated the Board on activities that have been undertaken on the issue establishing a facility to sort and recycle the "third bale", i.e., those plastics not typically collected in curbside collection/recycling initiatives. He noted that since his report at the September 13 Executive Board meeting, considerable progress has been made by the task force established under the umbrella of the Council for Solid Waste Solutions to develop and implement a business plan. Mr. Krause noted the contributions made by Mr. Robert Elcik of Occidental Chemical under the recently-announced Partnership for Plastics Progress' Product Stewardship initiatives.

Relative to current project status, Mr. Krause stated that a contract with North American Recycling of Fort Edward, New York is about to be signed, with a target timing of 8 months to start date. Mr. Krause noted that the technology to be used (AIC) is proprietary and is currently set-up

to sort 6 materials - PET (clear and green), HDPE (natural and color), PVC and PP with the potential to also sort PS, PC and multi-layer materials. The system is operational at 3 bottles/second (equivalent to 1,500 pounds/hour).

In response to a question from Mr. Patient regarding the sale of the separated material, Mr. Krause stated that North American Recycling reportedly feels that they have the ability to market the material except for custom PET, PP and multi-layer materials. In response to a question from Mr. Flammer regarding the need for future funding by industry, Mr. Krause noted that the intention is to develop a commercially-viable program. In response to a question from Mr. Krauskopf, Mr. Krause noted that flexible materials are not in the scope of AIC's technology. He further noted that VIGOR believes that the rigid packaging market is the highest priority.

2. Florida

a. Description of RFP

Mr. Krause described the elements of the draft "Request For Proposal" aimed at having an automated sortation system in place to facilitate the recycling of vinyl in a Florida location. Mr. Krause noted that under the proposal, the responsibilities of the industry would be to provide the sortation device for one year, to provide a market for the material separated, send out the RFP, evaluate the responses and to sell the sorter at the end of the time frame, so that the RFP process could be repeated elsewhere.

Also, the draft RFP commits the state to provide equal funds for the purpose of education and promotion and select the recipient of the sorter. The partner would be responsible for providing the facility and operating the equipment, as well as actively seeking and sorting vinyl and sharing its operating data. At the end of the contract period, the partner could purchase the device.

b. Technology Evaluation

Mr. Krause noted that the group solicited quotations from both National Recovery Tech-

nology (NRT) and MSS and is now in the process of evaluating the responses received.

Mr. Krause noted that on behalf of VIGOR, Bill Carroll of Occidental Chemical and Steve Alexander of the Council for Solid Waste Solutions met with Senator Kirkpatrick in Florida to gauge the interest in this program. Based on this initial meeting, Mr. Krause stated that the draft RFP would be sent to the Senator for his review and comments with the final version to be sent out shortly thereafter.

In response to a question from Mr. Bailey regarding current legislative/regulatory activity in Florida, Mr. Krause noted that the intention is to have vinyl included on the list of "designated materials" when the state makes its official designation, expected to be in October 1992.

In response to a question from Mr. Prinselaar as to why the AIC technology to be used in New York State has not been similarly identified for use in Florida, Mr. Krause noted that the task group believed that it was essential to have some experience with the technology selected and that due to the need to move quickly in the state of Florida that there would be insufficient experience with the AIC technology.

Lastly, Mr. Krause noted that the VIGOR believes that it is desirable to have activity on the west coast aimed at incorporating vinyl into an active recycling program. He further stated that the committee would like to amend the \$200,000 commitment to fund the siting of a sortation unit(s) in Florida reached at the September 13, 1991 meeting of the Board, to allow for the use of a total financial commitment in sites beyond that initially presented. Dr. Gottesman noted that the funds for this project are not incorporated in the budget, but are to be billed separately. He noted that members would not be receiving any bills for this project until such time as the money is spent.

B. Issues Management - 6-Month Report

Mr. Burnett updated the Board on the status of components of the Issues Management Program as follows:

1. Industry Training Seminars

Mr. Burnett stated that 3 industry training seminars have been completed with a total of 300+ employees participating. He further noted that an additional seminar is planned for January in Baton Rouge and a shorter version planned for Vista Chemical employees.

Mr. Burnett added that selected presentations from the seminars have been converted to video with one set (5 different videos per set) to be made available to each company for their use.

2. Packaging Seminar

Mr. Burnett stated that in conjunction with the Vinyl Packaging Council, a special seminar is being planned to focus on industry customers in the packaging area. The seminar is to be scheduled for the first quarter of the year.

3. New Video(s)

Mr. Burnett stated that videos are under development aimed at the packaging, construction and electrical materials market as well as a general issues piece. The videos are designed to be used as an introductory information with customers, plant community audiences and other opinion leaders. Mr. Burnett stated that these videos will be ready for dissemination in early January. Mr. Krauskopf asked that suggestions for proper dissemination be included with the video.

4. VERCE

Mr. Burnett reported on recent inquiries to the Vinyl Environmental Resource Center.

5. Literature

Dr. Gottesman distributed a listing of VI literature. Mr. Krauskopf suggested that the listing be dated and that members be made aware of other information which is available through the Vinyl Institute.

VII. PRO-ACTIVE TASK FORCE REPORTS AND RELATED ITEMS

Mr. Russ noted that background reports on activities of the Pipe Resource Organization, Electrical Materials Council and Vinyl Packaging Council are included in the briefing book for this meet under Tabs F, G and H respectively. No additional updates were provided at this time and no questions were asked.

VIII. CALIFORNIA EIR STATUS REPORT

Dr. Gottesman reviewed activity related to the California Environmental Impact Report on expanded use of plastic pipe that has occurred since his last report to the Board. In addition to the background information included under Tab M of the briefing book for this meeting, Dr. Gottesman noted that there had been a November 14 communication from the Pipe Trades Council to the Department of Housing and Community Development in which the Council stated its belief that SPI bears the responsibility to provide any additional funds that may be necessary to complete the project.

Dr. Gottesman stated that a meeting is to be scheduled for early 1992 to clearly define the tasks yet to be accomplished in finalizing the EIR and in delineating the appropriate roles. He commented that he would attend this meeting and provide an update to the Board. In response to a question from Mr. Flammer regarding the anticipated completion date, Dr. Gottesman noted the willingness expressed on behalf of SPI to cooperate and provide appropriate expertise to the contractor, but noted that until all remaining tasks have been identified, it is not possible to state an anticipated completion date.

IX. TECHNICAL, REGULATORY AND LEGISLATIVE UPDATES**A. Proposal to Consider Development of a New Unit Risk Factor For Vinyl Chloride**

On behalf of Frank Borrelli, Chairman of the Health, Safety and Environment Committee, Mrs. Scheck reviewed the committee's interest in supporting research aimed at the development of a new quantitative risk assessment for vinyl chloride. She reviewed the elements of the proposal that the committee had considered. She noted that the group has been advised that methodology is underway outside of the Vinyl Institute. She noted that the VI Medical Subcommittee feels that this work, which will use vinyl chloride as a sample of how the methodology functions should be completed first before the group considers any other initiatives in this area. The projected completion date is mid 1992. Ms. Scheck noted

that the Medical Subcommittee felt that perhaps some additional work focused on the effects on exposed young may be required as an adjunct to this work.

B. Other

1. Life Cycle Analysis Update

Dr. Gottesman updated the Board on the status of the completion of the life cycle assessment on vinyl packaging by Chem Systems, including the peer reviews now underway by 3 European practitioners of life cycle assessment research.

2. General Counsel's Report

Mr. de la Cruz noted that 2 additional items should be added under Tab L. The 11th Circuit has scheduled oral arguments for February in the omnibus proceedings related to the Occupational Safety and Health administration's rulemaking on permissible exposure levels (PELs). This would put the issue on track for the final decision by the end of 1992.

Mr. de la Cruz outlined the recent decision by the U.S. Court of Appeals for the Fifth Circuit invalidating an Environmental Protection Agency rule banning most asbestos products. He also summarized briefly the potential implications of this decision on the vinyl industry. Mr. de la Cruz stated that based on discussions involving the Institute, the Uni-Bell PVC Pipe Association and their respective counsels it was agreed that there were 2 appropriate action steps: the need to update the Uni-Bell publication "Vinyl Chloride: The Control of Residual Vinyl Chloride Monomer in PVC Water Pipe" and appropriateness of Institute involvement in any future EPA rulemaking. On the former item, Dr. Gottesman noted that the Vinyl Institute will be providing technical input to Uni-Bell to assist in their review and revision of the brochure.

X. EUROPEAN UPDATE

A. European Community Activity Update

Mr. Prinselaar stated that the European Packaging Directive is now in its second draft and will be circulated to the member national governments within the next few weeks and also the European Parliament for its review. He noted that a multi-material advisory

committee had been established and that Nancy Russotto of the APME has been serving as the reporter.

B. Plastics Waste Management Institute Update

Mr. Prinselaar commented that the establishment of the Plastics Waste Management Institute by the APME has proven to be a good initiative with growing visibility. He summarized some of the PWMI's major activities including:

- Ecobalance - Work is progressing on establishing guidelines on how to use ecobalance studies.
- Incineration - A task force has been formed that includes both industry representatives and academics.
- Chemical Recycling - Mr. Prinselaar commented that he believes the issues related to chemical recycling will assume a larger profile in the future.
- Mixed Plastics Recycling - Mr. Prinselaar noted that increasing visibility is being given to mixed plastics recycling projects such as the LVM project in the Benelux to use noise abatement panels on transportation corridors.

Mr. Prinselaar commented that the relationship between APME and CEFIC is an evolving one and that a strategy task force has been established to look at objectives. He further noted that closer ties need to be forged with the chlorine producers.

C. Individual Country Reports

1. Switzerland

Mr. Prinselaar stated that to date the ban scheduled to become effective November 1, 1991 has been suspended. He further noted that the difficulty of PVC not being included in collection schemes has been overcome and that collection points have been established.

2. Austria

Mr. Prinselaar reported that the Minister of the Environment has been urging the Minister of Industry not to sign the decree banning PVC packaging and flexible film.

3. Holland

Mr. Prinselaar noted that as previously reported interest in banning PVC in Holland began about 1-1/2 years ago when it was reported that there were high dioxin levels in the milk of cows in areas geographically close to incinerators. He noted that this report has generated considerable interest in spite of the fact that the incinerator operator reported that the contributing factor to the dioxin levels was operating conditions of the incinerator, and not the presence of PVC in the feed stream. Mr. Prinselaar reported that more recent university studies, which have yet to be released, noted that the dioxin levels earlier reported are considered to be acceptable.

Mr. Prinselaar reported that the EVC project in the United Kingdom in which automated sortation technology provided by National Recovery Technologies is being utilized, is operating satisfactorily. He further noted that additional sensors are to be installed in February. He commented that this facility is useful in having something to showcase, particularly to legislators. Further, he commented that he believes that the industry needs to focus additional efforts on the ultimate end user community.

Mr. Prinselaar also commented that he believes that the industry is not effectively enough monitoring groups espousing anti-vinyl positions. Mr. Patient suggested that the VI staff consider meeting with the writer on the recent Forbes magazine article on Greenpeace to broaden its understanding of the organization.

In response to a question from Mr. Krauskopf, Dr. Gottesman summarized briefly the current research on incineration underway at the University of Umea in Sweden at the Center for Industrial Research in Norway. And, in response to a question from Mr. Flammer, Dr. Gottesman summarized EPA's more recent risk assessment work on dioxin levels.

XI. OLD BUSINESS

A. Chlor-Alkali Federation

Dr. Gottesman noted that it has been agreed that the Third Global Chlor-Alkali Symposium, discussed in the background materials under Tab N of the briefing book will include a session on vinyl.

Dr. Gottesman also updated the Board on a meeting held November 27 at the Chemical Manufacturers' Association to discuss increased and appropriate liaison between associations and Chemstar panels that have activities related to the communications with the public and government about health, safety and environment issues impacting chlorine and some of its derivatives.

Mr. Patient noted that there is interest on the part of some in actively supporting the concept of consolidating currently-separate trade associations and activities under one umbrella. He further noted that while there may not be anything to be gained by putting all groups under one umbrella, the need for close cooperation must be recognized as being beneficial. Mr. Patient urged that the VI staff be asked to develop a plan to assure close cooperation with other affected groups with activities related to chlorine.

B. Partnership For Plastics Progress

Mr. Patient noted that the chief executive officers that have been involved in this initiative recognize that the commitment is for a basic 50 million per year for the next 5 years. He noted that at the present time only 2 Vinyl Institute member companies are participating and offered to be helpful in calculating membership costs for any interested potential participant. Mr. Heckman noted that the Coordinating Committee of the Partnership is scheduled to meet January 8 and he summarized some of the topics that will be discussed, including how to include the participation of companies and associations interested in participating who do not currently qualify to be members of the Society. He noted that the group will also be reviewing recommendations on policy development, such as an appropriate position on the issue of recycled content/rate.

XII. NEW BUSINESS

A. Proposal For Tripartite Organization

Dr. Gottesman referenced the elements of the proposal for the formation of a tripartite organization of the VI, ECVM and Japan PVC Association included under Tab O of the briefing book. He noted that at this time, the PVC steering committee in Europe is not interested in pursuing such a formal program, but believes that it would be useful for an international focus on 1 or 2 issues.