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SPI

PRESIDENT'S

REPORT

TO THE MEMBERS

October 1989

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DR. A. S. CHAMBERLAIN

BOR 007286



Views From the Chairman's Office

When the international plastics community gets together in early November in Dusseldorf, West Germany, at the largest industry exposition in the world — K'89, the 11th International Trade Fair - Plastics and Rubber — the United States and SPI will be represented in a variety of ways.

In addition to our SPI booth touting NPE '91, I'll be speaking at the opening of the U.S. Pavilion on a subject that's getting a great deal of attention: **the environment**. The speech to a news conference of international journalists focuses on the need for unity in the global plastics industry when dealing with environmental issues, and on the fact that we in the United States and our counterparts in Europe have much to learn from each other in dealing with these problems.

I am advocating more **communication** between Americans and Europeans wrestling with environmental issues. As SPI president, I am privileged to be a member of the International Plastics Association Directors, or IPAD, which meets in Dusseldorf during the K'89 show. And while I'm a new IPAD member, I am going to do everything I can to enhance efforts already underway to improve communication among our respective countries.

Several articles in this President's Report deal with international issues. The observance of Earth Day 1990 is likely to have an impact on our industry (*page four*). This event 20 years ago gave birth to the environmental movement as we know it in the United States. Organizers are calling for a global demonstration April 22, 1990, to mark the occasion. I call attention to Earth Day 1990 in my K'89 speech as evidence, if we need any, that the environmental movement is not a passing fad.

Another article in this issue involves the naming of SPI's Vice President of Technical Affairs, Pat Toner, to chair Technical Committee 61 (TC 61) of the International Standards Organization (ISO) (*page six*). TC 61 is the group devoted to setting international standards of material properties for plastics resins.

As we approach the inauguration of the European Commonmarket in 1992 and as more international markets open for U.S. plastics products, we welcome opportunities to assume leadership posts in global organizations like ISO.

Larry Thomas

BOR 007287

Council Programs Target Consumers, Schools

The Council for Solid Waste Solutions (CSWS) has proposed three far-reaching communications programs for 1990: a national advertising campaign, a point-of-sales consumer education program and a schools program.

The Council's Executive Board will consider these proposals in December as part of its budget discussions.

National Ad Campaign

The national advertising campaign, under development for the past year, includes ads for print only, designed to run as a series of up to five. Two have been developed (*one is shown on this page*) and tested in focus groups. Research results for the Council's national ad campaign revealed several important facts:

- (1) There is a desire for information on solid waste management;
- (2) There is a belief the industry is making progress in trying to solve the problem;
- (3) People are open to presentation of the facts when the plastics industry recognizes itself as part of the problem.

The ads would run in national publications with a readership of individuals who seek out information filled, advocacy advertisements: *Time*, *Newsweek*, *U.S. News & World Report*, *Reader's Digest*, the *Smithsonian* magazine and the *National Geographic*.

The opinion research for the Council indicates that a significant segment of the consumer population is unaware of the safety and convenience aspects of plastics packaging, and that many consumers do not know that plastics are recyclable.

Thus, when confronted with legislative proposals to restrict the use of plastics, consumers lack the facts to make an informed judgment about their true impact.

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Research also indicates a reservoir of consumer goodwill toward plastics, but the window of opportunity for tapping this resource is closing rapidly.

Point of Sale

The Council proposes during 1990 to produce and distribute point-of-sale, shelf-talkers and product inserts to inform shoppers of the packaging benefits and recyclability of plastics. These generic materials would be posted in sections of supermarkets that feature plastics packaging.

The concepts for this program have been developed and will be tested with grocery retailers and consumers before the December meeting of the CSWS Executive Board.

Schools and Teachers

In many communities, school students and their teachers are driving efforts to boycott — and even ban — some plastics products, based on misleading and incorrect information. The Council's research concluded that:

- (1) Teachers and students desire factual information about solid waste

management;

- (2) Environmental groups are already communicating with teachers and students on solid waste management issues while industry, for the most part, is not;
- (3) The Council's message works and is credible.

The Council proposes to undertake a two-pronged approach that will inform teachers about solid waste issues and provide the resources that will enable them to educate their students about the issues.

The first, called Solid Waste and Plastics Education Program (SWAP), will develop materials to be used by Council-affiliated speakers who will address groups in schools in which anti-plastics sentiment is strongest.

The Council also proposes to create Environmental Education Associates (EEA), a separate business venture bringing together industry, environmental and educational groups to teach educators about solid waste.

EEA would train teachers about these important issues through a series of one-day seminars held around the country, using special materials developed for the program.

Earth Day 1990: How Will Plastics Fare?

(The following is adapted from a presentation by SPI Vice President of Communications, Ronald Bruner, before the annual meeting of the Council of Chemical Association Executives.)

April 22, 1990, will mark the 20th anniversary of Earth Day—the event that gave birth to the environmental movement as we know it today.

In the two decades following that public outpouring of concern for planet Earth, the U.S. Environmental Protection Agency (EPA) was formed and scores of laws passed, including the Clean Air Act and the Clean Water Act.

Numerous forces are now converging which promise to make April 22, 1990, an event to remember. Organizers envision:

- Live television broadcasts from the top of Mount Everest and a submarine in the depths of the ocean. Satellite music concerts (a la Live Aid).
- A media blitz of newspapers, magazines, radio and television.
- A celebrity appearance campaign.
- Sermons on the environment from pulpits across the land.
- An international environmental summit.
- And, among other things, local demonstrations in thousands of communities worldwide.

Their ultimate goal, according to one leading organizer is "... a monumental worldwide demonstration by several hundred million people that literally will shake the political leadership of the world out of its lethargy ..."

The goals of the organizers are wide ranging, but a few that could

directly impact the plastics industry include:

- A ban on CFCs and other ozone-depleting chemicals. Elimination of toxic chlorinated chemicals.
- A ban on non-recyclable/biodegradable packaging.
- A 20-year transition from fossil fuels to renewable energy sources.
- And, creation of an international agency with the authority to protect the atmosphere and oceans.

Who's behind this effort? Organizations such as Earth Day 1990, Earth Day 20, the Greenhouse Crisis Foundation, Greenpeace, and many others. Behind those groups are such notables as TV commentator Hugh Downs, consumer advocate Ralph Nader, the Rev. Jesse Jackson, broadcasting tycoon Ted Turner, scores of Congressmen and movie/television stars, and the leaders of nearly every major environmental/conservation group.

Of particular interest is the involvement of Hollywood. The heads of every major movie studio—Disney, Columbia, Warner Bros. and Fox—are actively organizing environmental efforts, and media attention is expected to be intense.

The EPA has even appointed a special assistant to the Administrator to plan for Earth Day 1990.

Here at home, public concern continues to grow. In 1970 when the first Earth Day was held, 48 percent of the people polled by Gallup expressed concern about air pollution and 46 percent were worried about water pollution.

By 1988 (before the Exxon Valdez accident), those figures had grown dramatically to 84 percent for air and 73 percent for water.

On the international level, the Economic Summit in Paris in July revealed mounting concern at the highest levels, with one-third of the final communique devoted to the environment, more attention than any other subject covered.

The "Green Wave" that is about to hit America's shores already has swept through Europe and Britain. "... in the last year, environmental concerns have triggered the biggest change in consumer purchasing behavior since the oil-price explosion of the early 1970s," according to a London ad agency chief quoted in the July 12 *Wall Street Journal*.

The August 1 issue of *Business & Public Affairs Fortnightly* notes that "eco-marketing is emerging as a powerful force for boosting market share."

Growing attention to degradable and recyclable packaging are prime examples of eco-marketing within the plastics industry.

Perhaps the situation was best summed up by *The Futurist* magazine in its May-June issue:

"The doctrine of stewardship of the earth has developed dramatically in the last two decades ... the choice for industry is no longer whether it will be responsible, but how ..."

With six months to go, there's still time for your company to make plans to participate in an active, positive way.

SPI will have available soon materials and recommendations for how its member companies can get involved.

Let's make sure the plastics industry is regarded as **part of the solution**, not part of the environmental problem.

Shippers Reap Big Dividends From ICC Decisions

Editors Note: The July President's Report featured SPI's Committee on Transportation and Distribution (COT&D) and how it works to reduce the costs and improve the effectiveness of these aspects of the plastics industry. That article reported an initial savings of \$11 million in annual transportation costs to plastics shippers, but a recent federal decision means even better savings. This article is an update.

The plastics resin industry will soon be experiencing annual savings of approximately \$28 million because of a Sept. 19 decision by the Interstate Commerce Commission (ICC).

This action was a long time in coming. With decisions in March and again in July, the ICC took measures enabling the plastics industry to experience savings of this magnitude.

In calculating the quarterly Rail Cost Adjustment Factor, the Commission expanded the averaging period for the productivity calculation to six years and included the 1987 data.

Because of these two decisions, the railroads' cost increases are offset by a productivity value for a 0.2 percent net increase for the coming quarter.

Thus, the plastics industry will reap significant savings in transporting plastics resins, but the long running battle between the railroads and the shippers is not over.

In her dissenting opinion, ICC Chairwoman Heather Gradison said the decision "... will rapidly reverse the climate of freedom and investor enthusiasm that has been responsible for the technological and managerial modernization of the last decade."



Harry B. Ussery, left, president of Ball Unimark Inc., received the highest honor given annually by the Eastern Region — the Annual Achievement Award — at Econ XV held in early October at Ponte Vedra Resort, Fla. Past Chairman S. Richard Averett, last year's recipient, presented the award to Ussery for his service to the plastics industry.

SPI Division Highlights

Editors from major plastics industry magazines attended a press conference given by SPI's **Composites Institute** at New York City's World Trade Center. The event in September was a pre-conference briefing in preparation for the Institute's 45th Annual Conference and Expo '90.

The Institute's Annual Conference and Expo '90 is scheduled Feb. 12-19 in the Washington Convention Center, Washington, D.C. More than 100,000 square feet of exhibit space will house booths of unlimited size.

For more information: Serena E. Siegfried, SPI Composites Institute, 355 Lexington Avenue, New York, NY 10017; (212) 351-5410 or fax (212) 370-1731.

Tech X, the 10th Annual Shape Molders Technical Conference, will address two critical issues facing the expanded polystyrene industry

around the world: handling solid waste and working within restrictive pentane emission regulations.

Sponsored by SPI's **Expanded Polystyrene Division (EPS)**, Tech X will be held Nov. 16-18 at the Allgauer's Hotel in the Chicago suburb of Northbrook, Ill.

This year's conference will feature speakers who are working at the forefront of the solid waste and pentane emissions issues, including Ron Liesemer, vice president of technology for the SPI Council for Solid Waste Solutions, and George Stinson of Pacific Molded Foam, Long Beach, Calif., who will present the pentane status report.

"It's exciting to actually present real solutions for these two issues, since they have been plaguing the industry for the past few years," said John Wiman, a member of the EPS Division Policy Board.

PLASTICS—A World of Possibilities

PI Mails Kits to Schools

SPI has sent more than 10,000 junior high school science teachers free education kits to introduce students to the basic principles of polymer science.

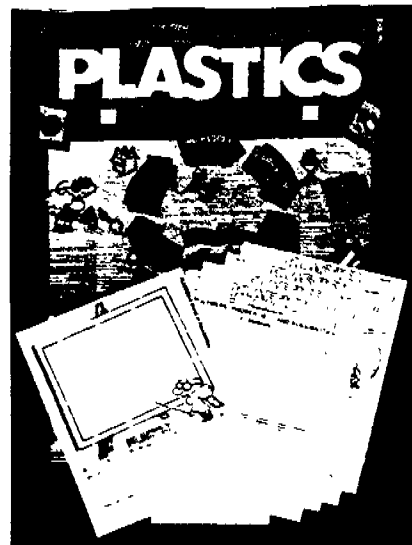
Titled *PLASTICS—A World of Possibilities*, the kit was developed as part of the SPI's Special Communications program to enhance the image of plastics. It was prepared and distributed last month by Lifetime Learning Systems, Inc., of Fairfield Conn., a leading creator of corporate-sponsored educational materials.

The kit contains a four-page teacher's guide, four different stu-

dent activity sheets, a full-color wall poster and a user reply card. The activity sheets can be reproduced by the teacher in quantities to match class size. A resource list also is available for teachers who contact SPI for additional information.

The guide explains program objectives and provides teachers with background information for each activity and suggests additional projects to supplement the student activity masters.

Limited quantities of the kits are available through SPI's Literature Sales Department for \$5 each/mem-



bers and \$10 each/non-members.

For more information about the kits, contact Gabrielle A. Hampson, manager of SPI Special Communications at (202) 371-5213.

H. Patrick Toner Accepts ISO Chairmanship

Hugh Patrick Toner, vice president of SPI's Technical Affairs Department, has been named to chair Technical Committee 61 (TC 61) of the International Standards Organization (ISO).

Overall, ISO is composed of more than 70 countries which are represented by a standards making organization in each country. The U.S. representative (member body) is the American National Standards Institute in New York City.

TC 61, made up of 26 countries, is the ISO technical committee responsible for developing internationally acceptable standards (test methods, specifications, terminology) for plastic materials and products.

ISO TC-61 is one of 157 Technical Committees active within ISO. It is the "international counterpart" to American Society for Testing and Materials (ASTM) D-20 Committee for Plastics in North America.

TC-61 has been in existence for

more than 40 years; the United States has been a member country continuously.

Toner said his position is essentially "to provide administrative leadership. The technical work is done by various subcommittees and working groups. This ensures adequate representation and participation of experts from all over the world in the development of an international consensus."

ISO TC-61 meets annually in different cities around the world by invitation. The committee met Sept. 16-23 in Paris. Toner, who attended the meeting, said there was a general sense that the European delegates were eager to advance work items to the next stage in anticipation of the harmonization of European standards in 1992.

The next ISO TC-61 meeting will be Sept. 15-22, 1990, in Orlando, Fla.

At the Paris meeting, 85 documents advanced in status, including 25 to be

published as international standards. In addition, 11 existing international standards were reaffirmed and five new work items were introduced, including a proposed standard practice for generic marking of plastic products.

Once a new work item is accepted, it progresses through the three stages for ISO documents: draft proposal, draft international standard and, finally, international standard.

Because ISO procedures require that there be a six-month period for balloting by each participating country prior to document advancement, individual standards take at least two years to be developed and published.

The U.S. vote on any item is cast by ANSI, which receives its technical guidance and direction from the U.S. Technical Advisory Group (TAG). The U.S. TAG is a subcommittee of ASTM D-20, subcommittee D-20.61.

The U.S. TAG meets regularly at ASTM D-20 meetings.

Sid E. Rains Assumes Top NPE '91 Post

Sid E. Rains, consultant for trade shows to Van Dorn Plastics Machinery Co., has been elected chairman of the 1991 National Plastics Exposition — NPE '91.

Charles W. "Jerry" Eha, vice president of Marketing, Littleford Group Inc., has been elected vice chairman of the triennial event.

Other members of the NPE '91 Executive Committee are:

- David P. Hahn, vice president-general manager, Specialty Equipment Business, Cincinnati Milacron
Chairman of the Operations Committee
- Sanford C. Schulert, director - Marketing Communications, Amoco Chemical Co.
Chairman, Public Relations & Advertising Committee
- H. B. "Ben" Turner, consultant, GE Plastics
Chairman of the Conference Committee
- Vincent L. Witherup, vice president - Sales, The Conair Group
Chairman of the Finance Committee
- William J. Norris, president Conair Gatto
Ex-Officio Member and Chairman of NPE '88

Rains has been active in the management and success of the NPE for many years, serving at various times on working committees, as a committee chairman, and most recently as vice chairman of the last exposition in 1988.



SPI General Counsel Jerry Heckman, center, was honored by the SPI Board at its September meeting for 35 years of service to the Society. Offering congratulations are Chairman Bill Bradbury, left, and President Larry Thomas. Heckman, a founding partner of the law firm of Keller and Heckman, has devoted almost his entire career to representing the plastics industry.

NPE '91, one of the largest industrial trade shows in the United States, will be held in Chicago's McCormick Place exhibition complex June 17-21, 1991.

In other NPE '91 developments, the prospectus is being mailed this month to former NPE exhibitors. If you do not receive one by mid-November and would like one, contact the SPI Trade Shows office at (202) 371-5235; fax (202) 842-3583.



Sid E. Rains
NPE '91 Chairman

Communication Protocol Now Available

Licensing agreements are available through SPI's Machinery Division for the SPI-developed Communication Protocol. The completion of Phase I of the Protocol by the Machinery Division and the Machinery Component Manufacturers Division represents an effort to solve a common problem — lack of interfacing between different brands of auxiliary equipment.

Phase I allows for communication between a machine and its auxiliary equipment.

Phase II will allow for robotics communication between machines or between machine and host computer.

The SPI Communication Protocol Development Kit is available to members for \$2,500; non-members for \$5,000. All companies must sign a licensing agreement with SPI. For information: Walt Bishop, (202) 371-5230

SPI Spotlight: International Division

The SPI International Division is comprised of members with a direct interest in international trade through export sales, offshore production, joint ventures or related activities.

Division members are from material and machinery supplier companies, moldmaker and auxiliary equipment providers, plastic product manufacturers — both proprietary and custom processors — as well as foreign trade consultants, and financial and business advisory firms.

The principal business of the International Division is to facilitate foreign trade opportunities for members.

To do this, the division wants to make available the most current information on specific markets, products and trade practices.

While SPI cannot supplant the function of the export marketing departments of member companies or of the Export Administration of the U.S. Department of Commerce, it can bring together the collective expertise of its members, government agencies (such as the Office of the Trade Representative), and experts in the private sector.

Trade Survey

SPI also offers devices for tracking trade opportunities and bringing the products and services of member companies to the attention of potential foreign customers.

A program to put in place the widest available range of trade opportunities currently possible is now being undertaken by the International Division.

A survey of trade opportunities interest also is currently underway to determine the extent to which members want SPI involvement with

Who's Who

CHAIRMAN
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Binks Manufacturing Co.

VICE CHAIRMAN
Don Miller
Killion Extruders Inc.

IMMEDIATE PAST CHAIRMAN
William Marquard
Occidental Chemical Co.

SPI STAFF DIRECTOR
Jack Murphy

sales and marketing offshore.

The specific programs which the Division wants to offer include an export trading company; an electronic bulletin board of trade opportunities; representation at foreign trade shows for member companies; information clearinghouse on tariff and non-tariff policies and practices in foreign markets, and seminars to encourage or assist new exporters.

PLASTICOS '89

The Division began in 1989 to emphasize foreign market participation by representing SPI at PLASTICOS '89 in Mexico City in March.

While this was not the first time SPI and the Division were sponsors and participants at this trade show, PLASTICOS '89 was the first one in which the SPI President participated. Larry Thomas gave the opening address

and opened a dialogue with the Mexican plastics industry and the trade associations which represent its interests. Thomas gave plaques to SPI members recognizing their contribution to this joint government / business foreign trade effort.

PLASTICOS '89, sponsored by the U.S. Department of Commerce, drew record attendance and topped all previous PLASTICOS shows in participation by U.S. plastics companies.

Far East Activities

The International Division hosted a trade delegation from the Peoples Republic of China in March in anticipation of a trade mission later in the spring. SPI members were represented at ChinaPlas '89, a trade show held in early April in Shanghai.

Although political upheaval in China has stalled opportunities for trade advancement there, SPI members continue to be interested in the Far East. Thailand, India and Japan have held or will hold trade shows of great interest to plastics and the industries that plastics manufacturers serve.

CORE Program

The International Division and the Machinery Component Manufacturers Division of SPI hold a joint meeting on foreign trade opportunities this month. The meeting in Colorado Springs, Colo., will map out anticipated directions for trade in the Americas, the Far East and in Europe.

At this meeting the Division will encourage prospective exporters to examine their potential to export through an objective, computer-driven, self-analysis program called CORE: Company Readiness to Export. This program was developed by the University of Michigan School of Marketing and was underwritten by the SPI International Division.

The Society of the Plastics Industry, Inc.
1275 K Street, N.W., Suite 400
Washington, D. C. 20005
(202) 371-5200