



CHEMICAL MANUFACTURERS ASSOCIATION

(BUDGET COMMITMENTS
TO CMA VC PANEL)

October 28, 1994

Dear Vinyl Chloride Health Committee Members:

As discussed on the October 24 conference call, I have enclosed a commitment form for your pro-rata share of the \$300,000 budget for the 1994-1995 research and advocacy program. The details of the program and basis for your pro-rata share are attached.

Your completion of the commitment form is essential for CMA to execute any contract for the research projects, consultant agreements, and retention of counsel for the TSCA Section 4 testing requirement negotiations with EPA and ATSDR. Therefore, please return your commitment form to me by November 18. Please note that if you requested payment in two installments for your earlier commitment (See Table 1, Column 3), your second installment will be due in January 1995.

If you have any questions, please call me at (202) 887-1192.

Sincerely,

Hasmukh C. Shah, Ph.D.
Manager, Vinyl Chloride Panel

Enclosures

BFG41783



CHEMICAL MANUFACTURERS ASSOCIATION

Vinyl Chloride Panel

Health Committee

Commitment Form



My company (GEON) commits \$30,480 for the 1994-1995 vinyl chloride research and advocacy program. I understand that this commitment is in addition to the \$35,241 commitment my company has already made in the past several months. For the new commitment amount, \$30,480, covered by this commitment form, please invoice me according to the box(es) checked below:

- ☐ Please invoice me \$ _____ in December 1994.
☐ Please invoice me \$ _____ in January 1995.
☒ Please invoice me \$ 15,480 in April 1995.
☒ Please invoice me \$ 15,000 in July 1995.

- ☐ While appreciating the opportunity, my company declines to participate.

CMA has estimated that 16% of the total CMA 1994/95 fiscal year "dues and similar income", which includes CHEMSTAR contributions, is allocable to lobbying and political expenditures to which Section 162 (e)(1) of the Internal Revenue Code of 1986, as amended, applies. Consequently, this portion of your commitment is not deductible as an ordinary and necessary business expense for federal income tax purposes. Further, contributions to CMA are not tax deductible as charitable contributions.

Panel Representative

Edward L. Beebe

Name (signed)

EDWARD L. BEEBE

Name (typed)

Dir. - EH&S

Title

THE GEON CO.

Company

6100 OAKTREE BLVD.

Address

CLEVELAND, OH 44131216/447-6553

Telephone

" " - 6457

Fax

Management Contact

(SAME)

Name (signed)

Name (typed)

Title

Company

Address

Telephone

Fax

Please return signed form by NOVEMBER 18, 1994 to:

Hasmukh C. Shah, Ph.D.

CMA

2501 M Street, NW

Washington, D.C. 20037

Faxed @ 11/22/94

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TABLE 1

COMMITMENTS NECESSARY BY COMPANY

COMPANY	1994-1995 PROJECTED COST	AMOUNT ALREADY COMMITTED, \$325,172	ADDITIONAL COMMITMENT REQUESTED, \$300,000		
			1994 Nameplate Capac. in MM Pounds	% 1994 Nameplate Capac.	New Commitment Requested
Borden	\$ 43,756	\$ 23,536	935	6.79	\$ 20,370
Dow	115,570	55,630	2,773	20.13	60,390
Formosa	91,813	45,133	2,160	15.68	47,040
GEON	65,511	35,241	1,400	10.16	30,480
Georgia Gulf	58,957	31,717	1,260	9.14	27,420
OxyChem	121,637	65,447	2,500	18.15	54,450
PPG	39,295	21,145	840	6.10	18,300
Vista	41,831	22,151	910	6.60	19,800
Westlake	46,802	25,172	1,000	7.25	21,750
TOTAL	\$ 625,172	\$ 325,172	13,778	100.00	\$ 300,000

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Vinyl Chloride Health Committee

Proposed 1994-1995 Budget

Budget	Activity (Explanation Attached)
\$ 400,000	Epidemiology Study Update Contractor Cost - \$ 350,000 ENSR Data Transfer Cost - \$20,000 Dow Chemical's Monitoring Cost - \$30,000
30,000	Outside Counsel for TSCA Section 4 Prop. Rule The estimated cost of the EPA recommended testing program is \$850,000.
60,000	University of North Carolina Research Program Synthesis of ¹³ C-vinyl chloride - \$10,000 Determination of Half-Life of Etheno-Adducts in Animals & Determination of P-450 in Human Tissues at Diff. Ages - \$50,000
10,000	Vinyl Chloride Risk Assessment Consultant for Modification of the Heast Table (R. Reitz) Consultant to Demonstrate a Biological Threshold for Vinyl Chloride Induced Liver Angiosarcoma and Absence of Cause-Effect Relationship Between Vinyl Chloride and Brain Cancers (C. Tamburo) International Workshop to be Sponsored by the Vinyl Chloride Panel to Assess Available Scientific Information and Review Work in Progress or Planned to Assess Vinyl Chloride Risk
100,000	Administration Direct Time Oct.1994 - Dec.1995 - \$90,000 (Based on Estimated Level of Effort of Four Days/Month) Travel and Miscellaneous - \$10,000
25,000	Contingency
\$ 625,000	TOTAL

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Detailed Explanation of 1994-1995 Proposed Activities

1) Epidemiology Study Update

Contractor Cost:

CMA conducted an epidemiology study of vinyl chloride workers from 1942-1972. The study was updated to cover the period of 1942-1982. The Vinyl Chloride Health Committee proposed to further update the study to 1992. The Committee requested proposals from potential contractors. After reviewing the proposals received, the Committee has narrowed its selection to Applied Epidemiology, Inc. (estimated cost - \$350,000) and Applied Health Sciences, Inc. (estimated cost - \$275,000). The Vinyl Chloride Health Committee is leaning toward Applied Epidemiology, Inc. based on an overall evaluation of the proposals.

ENSR Data Transfer Cost:

All raw data for the previous vinyl chloride epidemiology study are with ENSR Corporation. These data are extensive (100 banker's boxes) and will have to be reviewed, screened, and copied by ENSR prior to the release of the information to the selected contractor.

Dow Chemical's Monitoring Cost:

This cost will compensate Dow Chemical for its efforts in designing the study; evaluating the proposals; resolving technical issues with contractors; conducting site-visits; monitoring progress of the study; reviewing interim and draft reports; and, liaising with CMA and the Vinyl Chloride Health Committee.

2) Outside Counsel for TSCA Section 4 Proposed Rule

On September 30, 1994, EPA published a "Notice of Opportunity to Initiate Negotiations for TSCA Section 4 Enforceable Consent Agreements; Solicitation of Testing Proposals for ATSDR Chemicals" (Fed. Reg. 59, 49934-49938, 1994). For vinyl chloride, the notice proposes testing for reproductive, developmental, and neurotoxic effects by the inhalation route. The estimated cost of these testing is \$850,000 (developmental = \$150,000; reproductive = \$450,000; and neurotoxicity = \$250,000). In its Federal Register notice, EPA did not provide a rationale for the testing requirements and has exceeded the ATSDR requirements. The Committee recommends retaining a counsel to effectively negotiate a testing program with EPA that requires only those studies necessary to meet the ATSDR data needs.

Please note that no provision is made in the 1994-1995 proposed budget for any testing cost because of uncertainty as to what studies ultimately will be included in the Enforceable Consent Agreement or the TSCA Section 4 final rule. If an Enforceable Consent Agreement is executed with EPA, an additional testing budget may have to be developed in 1995.

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3) University of North Carolina Research Program:

This research program is designed to evaluate toxicity of vinyl chloride exposure at high concentrations over a short period of time. The information developed through this program may help in establishing levels of vinyl chloride to trigger catastrophic release evacuation plans.

The program also would enable industry to develop early diagnostic tools to determine significant vinyl chloride exposures and their relevance to health risk assessment.

4) Vinyl Chloride Risk Assessment:

Modification of Heast Table

The current EPA Heast Table for carcinogenicity of vinyl chloride mentions that the consideration of metabolism pharmacokinetics will result in increased risk. According to the table, one unpublished physiologically-based pharmacokinetic model may predict a 100-fold increased risk. In the Committee's communication with EPA, we now understand that this is a speculation on the part of EPA. Documents like the Heast Table often become the basis for regulatory activities at federal, state and local levels. It is critical, therefore, to correct the Heast Table to prevent potential regulations based on misinformation. The Committee plans to work with EPA to correct the Heast Table.

Biological Threshold for Vinyl Chloride Induced Liver Angiosarcoma and Lack of Correlation Between Vinyl Chloride Exposure and Brain Cancer

Dr. Carlo Tamburo of the University of Louisville has proposed a threshold for vinyl chloride induced human liver angiosarcoma. Dr. Tamburo also suspects, based on information available to him, that there is no association between vinyl chloride exposure and incidence of brain tumors. The Committee plans to pursue these hypotheses with Dr. Tamburo. If these hypotheses are substantiated by valid and credible scientific data, the benefits to the industry will be significant.

International Workshop on Vinyl Chloride

The Committee considers an international workshop on vinyl chloride an integral part of vinyl chloride risk assessment. The workshop participants may include: regulatory agency personnel (EPA, OSHA, ATSDR); academia; other scientific research organizations; and, vinyl industry personnel.

5) **Administration:**

The following services are integral parts of the CMA administration:

a) **General Services**

- 1) meeting preparation, attendance, and action item follow-ups
- 2) coordination of Panel activities with outside counsel
- 3) financial management services including monthly financial statements
- 4) legal services (anti-trust protection; review of Records of Meetings; review of contractual agreements; guidance in cases of contractual non-compliance and/or earlier termination; guidance in protecting against restriction of trade practices; facilitating resolution of Panel/Task Force issues
- 5) communication services (press/news releases; responses to media/public inquiries; spokesperson for industry)
- 6) mail room services (copying; first class postage; local messengers)
- 7) management support in resolving Panel issues, if necessary

b) **Advocacy Management**

- 1) maintain awareness of pertinent regulations relating to the Panel's activities
- 2) communicate with government agencies on scientific and regulatory matters on behalf of the Panel
- 3) coordinate information flow to and from agencies, companies, other trade associations, and academic institutions
- 4) coordinate the development of advocacy positions with the CMA Office of General Counsel and other appropriate CMA standing committees and outside consultants

c) **Research Management**

- 1) assist in developing testing programs
- 2) develop budgets, assure commitments, and process invoices to participating companies

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Detailed Explanation

October 12, 1994

Page 4

- 3) work with Panel to prepare protocols, identify labs, and send Request for Bids
- 4) assist Panel in selecting contract laboratory for testing based on bids received or prior experience
- 5) conduct site visits, if necessary
- 6) prepare and negotiate contracts
- 7) manage activities of contractor and outside auditor/monitor for the research program
- 8) legal oversight by CMA
- 9) manage finances of contracts, set up budget areas, verify and pay invoices
- 10) facilitate information exchange between contract laboratories, monitor/auditors, and Panel members and government agencies
- 11) facilitate Panel consensus on technical issues and communicate the consensus position with contractors
- 12) prepare periodic status reports for submission to Panel and regulatory agencies
- 13) provide regulatory compliance (TSCA, FIFRA) services at Panel's request
- 14) arrange for and participate in Panel meetings and in meetings with contractors and agencies
- 15) assist in developing the next phase of activities

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TO	ED MARTINELLI	LOCATION	PHONE
FROM	ECM	LOCATION	PHONE
SUBJECT	CMA VC HEALTH COMMITTEE PROGRAM/BUDGET		DATE 11/08/94

Ed

Per our prior conversation (a week + ago), attached is info describing key activities of the VC panel & projected costs to support same. As mentioned, I am convinced that the listed projects are pertinent to the well-being of our industry — and our potential investment is certainly not overwhelming. Call if you have questions.

Verbal affirmative
response from ECM
@ 11/21/94 / EMB

SIGNATURE

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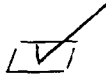
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DO NOT WRITE ON THIS COPY - SEND REMAINING SET TO CUSTOMER IN FULL FOR USE OF REPLIER

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CHEMICAL MANUFACTURERS ASSOCIATION
Vinyl Chloride Panel
Vinyl Chloride Research Coordinators
Commitment Form



My company commits its pro-rata share of \$300,000 research and advocacy budget as described in the attached July 5, 1994 Explanation of VCRC Budget. The Vinyl Chloride Panel is conducted under the policies and procedures outlined in the CHEMSTAR Panel Guidelines and briefly noted on the reverse of this form.



While appreciating the opportunity, my company declines to participate.

CMA has estimated that 16% of the total CMA 1994/95 fiscal year "dues and similar income", which includes CHEMSTAR contributions, is allocable to lobbying and political expenditures to which Section 162 (e)(1) of the Internal Revenue Code of 1986, as amended, applies. Consequently, this portion of your commitment is not deductible as an ordinary and necessary business expense for federal income tax purposes. Further, contributions to CMA are not tax deductible as charitable contributions.

Panel Representative

Edward L. Beeler
Name (Signed)

EDWARD L. BEELER
Name (Typed)

Dir. - EH&S
Title

GEON CO.
Company

6100 OAK TREE BLVD.
Address CLEVELAND, OH 44131

216/447-6553
Telephone

" " - 6459
Telecopier

Management Contact

(SAME)
Name (Signed)

Name (Typed)

Title

Company

Address

Telephone

Telecopier

Please return signed form to:

Hasmukh C. Shah, Manager
Chemical Manufacturers Association
2501 M Street, NW
Washington, D.C. 20037

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MAILED 7/21/94

July 5, 1994
Explanation of Vinyl Chloride Research Coordinator Budget

An initial budget of \$300,000 is proposed for the following activities:

- Contractor cost for the update of vinyl chloride epidemiology study
- Dow Chemical's expenses for designing, monitoring, consulting with the selected contractor, and reviewing interim, draft and final reports for the epidemiological update
- Consultant expenses for vinyl chloride risk assessment and short-term exposure effects studies
- Administrative expenses for update of the epidemiology study; follow-ups with EPA on VC risk assessment; follow-ups with EPA on VC and/or EDC testing under TSCA Section 4; follow-ups with consultants on VC risk assessment and short-term exposure effects studies; meeting planning, attendance, and other routine services; follow-up of action items resulting from meetings and conference calls; and, monitoring of regulatory activities impacting vinyl chloride manufacturing companies

The VCRC has proposed to share the estimated \$300,000 budget based upon the 1993 VC nameplate capacity. CMA has used the nameplate capacities for VC published in the attached chart from Chemical Data Inc., September 1993, to determine each company's pro-rata share as follows:

Total 1993 VC Nameplate Capacity	12,918 M lbs.
Westlake 1993 VC Nameplate Capacity	<u>1,000 M lbs.</u>
Total 1993 VC Nameplate Capacity	11,918 M lbs.
Used in Determining VCRC Member Companies Pro-Rata Share	

<u>COMPANY</u>	<u>NAMEPLATE CAPACITY (Million Lbs.)</u>	<u>PRO-RATA SHARE</u>
Borden Chemical	935	23,536
Dow Chemical	2,210	55,630
Formosa Plastics	1,793	45,133
GEON	1,400	35,241
Georgia Gulf	1,260	31,717
Occidental (w/OxyMar)	2,600	65,447
PPG Industries	840	21,145
Vista Chemical	<u>880</u>	<u>22,151</u>
TOTAL	11,918	300,000

If the above budget is committed by all companies, one-half of the commitment will be due in August, 1994 and the remainder in January, 1995. If Westlake joins the VCRC at a later date, your 1995 amount due will be adjusted accordingly.

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Monthly Petrochemical & Plastics Analysis

U.S. VINYL CHLORIDE MONOMER AVERAGE DESIGN CAPACITY (Millions of Pounds Per Year)

PRODUCER	LOCATION	E	EDSTOCKS	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Borden Chemical	Geismar, LA	Ethylene		525	525	525	568	610	610	610	610	610	610	610	610
	Geismar, LA	Acetylene		325	325	325	325	325	325	325	325	325	325	325	325
Dow Chemical	Oyster Creek, TX	Ethylene		750	810	810	833	900	900	900	910	910	910	910	910
	Oyster Creek, TX	Ethylene		-	-	-	-	-	-	-	-	-	-	-	-
	Plaquemine, LA	Ethylene		850	900	1,040	1,200	1,200	1,275	1,300	1,300	1,300	1,300	1,300	1,300
Formosa	Point Comfort, TX	Ethylene		580	580	580	690	838	900	900	900	900	900	900	900
Plastics	Baton Rouge, LA	Ethylene		420	420	420	420	420	420	315	53	420	420	420	420
	Baton Rouge, LA	EDC		-	-	-	-	-	-	537	840	840	840	840	840
Geon	Calvert City, KY	Ethylene		1,000	1,000	1,000	1,000	-	-	See Westlake Monomers	1,400	1,400	1,400	1,400	1,400
(formerly Goodrich)	La Porte, TX	Ethylene		1,100	1,100	1,250	1,300	1,300	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Georgia Gulf	Plaquemine, LA	Ethylene		1,025	1,100	1,220	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
Occidental Chem	Deer Park, TX	Ethylene		-	450	925	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
OxyMar	Corpus Christi, TX	Ethylene		-	-	-	-	-	1,467	1,500	1,500	1,500	1,500	1,500	1,500
PPG Ind.	Lake Charles, LA	Ethylene		600	750	800	800	840	840	840	840	840	840	840	840
Shell	Deer Park, TX	Ethylene		900	450	-	-	-	-	See Occidental Chemical	-	-	-	-	-
Vista Chemical	Lake Charles, LA	Ethylene		700	738	750	825	825	825	835	880	910	970	990	990
Westlake Monomers	Calvert City, KY	Ethylene		-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,050	1,050
Total				8,775	9,148	9,645	10,320	10,618	12,322	12,822	12,918	13,878	14,125	14,185	14,195

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SEPTEMBER 1993

Explanation of Vinyl Chloride Research Coordinator Budget

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Total 1993 VC Nameplate Capacity	12,918 M lbs.
Westlake 1993 VC Nameplate Capacity	<u>1,000 M lbs.</u>
Total 1993 VC Nameplate Capacity	11,918 M lbs.
Used in Determining VCRC Member	
Companies Pro-Rata Share	

→ $\approx 11.7\%$ of total
(based on
with very
estimated
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industry in
supply
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For the past 12 month period, one share of the general administrative expense of the BFG was \$3,000.

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B.F. Goodrich Canada Inc.

ORIGINE
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DATE

7/22/94

SUBJECT

CMA VC PANEL BUDGET COMMITMENT

ECM / Attached for your info & endorsement before
I formally commit Green — have already
done so verbally, based on prior discussion
with you & Bill. Note that bulk of
projected expense is to support update
of vinyl chloride epidemiology study.
Call if any questions.

[Signature]

ONSE
REPLY

OK
[Signature]

REPONSE DE
REPLY FROM

BFG 01309

DATE DE LA REPONSE
REPLY DATE

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