

VINYL INSTITUTE MEETING

SEPTEMBER 2, 1992

INDIA DUMPING ISSUE

- **INDIA HAS INITIATED A PVC RESIN DUMPING CLAIM AGAINST PVC PRODUCERS IN THE UNITED STATES, KOREA, BRAZIL, ARGENTINA, AND MEXICO**
- **FOLLOWS ON HEELS OF DUMPING CLAIMS INITIATED BY MEXICO, AUSTRALIA AND BRAZIL**

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WHAT'S DUMPING

**DUMPING UNDER GENERAL AGREEMENT ON TRADE AND TARIFFS
(GATT):**

- WHEN THE PRODUCT OF ONE COUNTRY IS INTRODUCED
INTO THE COMMERCE OF ANOTHER COUNTRY AT LESS THAN
"NORMAL VALUE"**
- THREE MEASUREMENTS TO DETERMINE "NORMAL VALUE"**
 - 1. THE DOMESTIC PRICE OF THE EXPORTING COUNTRY**
 - 2. THE EXPORT PRICE TO A THIRD COUNTRY**
 - 3. "CONSTRUCTED" VALUE (COMPLICATED FORMULA)**
- GATT DUMPING CODE ALSO STIPULATES THAT INJURY WAS
CAUSED TO THE "DOMESTIC INDUSTRY"**

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INDIAN PVC SUPPLY/DEMAND⁽²⁾
(MT)

	<i>CAPACITY</i>	<i>DEMAND</i>
1990	166,000	250,000
1991	194,000	269,000
1992	272,000	290,000
1993	323,000	349,000
1994	373,000	390,000
1995	523,000	475,000

(2) Source, CMAI, World Vinyls Analysis, 1991

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INDIAN IMPORTS⁽¹⁾
(MT)

	<i>FROM U.S.</i>	<i>TOTAL IMPORTS</i>
1990	24,012	87, 439
1991	23,983	87,443
1992 (1st Qtr)	13,499	54,045

(1) Source, PVC Trader

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INDIAN DUMPING ISSUE

- **WHAT'S BEEN DONE**
 - **VISTA EXTENSION REQUESTED**
 - **DEPARTMENT OF COMMERCE MEETING**
 - **DEPARTMENT OF COMMERCE REQUESTED EXTENSION ON PROCEDURAL GROUNDS**

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DEPARTMENT OF COMMERCE REVIEW

- **INDIAN REQUEST FOR DETAILED INFORMATION IS NOT OUT OF LINE**
- **ANSWERS WOULD BE CONFIDENTIAL**
- **WE NEED TO COMPLY FULLY WITH REQUESTS FOR INFORMATION**
- **REQUEST IS PROCEDURALLY DEFECTIVE WITH GATT PROCEDURES:**
 - **1. TIMING STIPULATED**
 - **2. VALIDATING DATA NOT PRESENTED**
- **INDIA RECENTLY JOINED GATT**
- **COULD BE LONG (3 YEAR) STRUGGLE**
- **NO GUARANTEES GATT PANEL DETERMINATION WOULD BE FOLLOWED BY INDIA**
- **DEPARTMENT OF COMMERCE READY TO HELP**

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WHAT SHOULD WE DO?

- **TOUGH QUESTION**
- **OPTIONS**
 - **DO NOTHING**
 - **DEAL WITH ISSUE INDIVIDUALLY**
 - **DEAL COLLECTIVELY**

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DEAL COLLECTIVELY

- **HOW**

- **A FOCUSED, COALITION OF PVC PRODUCERS**

COST

- **KEEP IT LOW \$50M - 100M TOTAL**

APPROACH

- **WORK EXCLUSIVELY THROUGH DEPARTMENT OF COMMERCE**
- **LEGAL REPRESENTATIVES PRESENT**
- **COLLECTIVE DATA, CONFIDENTIALLY SUBMITTED (I.E. ERNST & YOUNG)**

- **OUTCOME**

- **PROBABLY NOT SUCCESSFUL**
- **LONG PROCESS**

BUT

- **SEND MESSAGE TO OTHER COUNTRIES**
- **EDUCATE TRADE COUNCIL**
- **GET LEGISLATIVE ATTENTION**

ON THE THE OTHER HAND

- **WRONG TIME**
- **WRONG COUNTRY**

final as of .92
DOB BURNETT

VI BOARD MEETING SEPTEMBER 2, 1992

VIGOR REPORT

- o STATUS - QUARTERLY SUMMARY
- o AUTOSORT DEMONSTRATION FACILITY - PE³
- o NRT VINYL CYCLE - CLEARVUE
- o FLORIDA INITIATIVE
- o CALIFORNIA INITIATIVE
- o SORTCO - CSPI - CANADA

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AUTOSORT DEMONSTRATION FACILITY - P3

- o GRAND OPENING - FRIDAY 8/14/92 -
NORTH AMERICAN RECYCLING, INC.
- o 200 ATTENDEES - LOCAL/STATE/RECYCLERS
- o DEMONSTRATION IMPRESSIVE
 - MANUAL LINE
 - AUTOMATIC LINE
- o EXCELLENT SITE
 - POST CONSUMER BOTTLES - MANUAL/AUTOMATIC
 - FILM RECOVERY PLANT
 - WASTE-TO-ENERGY FACILITY
 - TOURS ARRANGED
- o EXCELLENT VIDEO AVAILABLE
- o MSS. - EAGLEBROOK

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NRT VINYL CYCLE - CLEARVUE

- o VI NRT UNIT MOVED TO CLEARVUE IN AMSTERDAM, NY
 - SORTING VINYL BOTTLES
 - BREAK BALES
 - PRE-HANDSORT
 - VINYL CYCLE IN REVERSE MODE
- o PVC BOTTLE CLEANING LINE OPERATING
 - \$40,000 LOAN TO CLEARVUE
 - LINE RUNNING 1000-1200 LBS/HR
 - MATERIAL CLEANING WELL, SLIGHTLY WET
 - COSTS > EXPECTED
 - o % PVC IN BALES
 - o WASTE HIGHER
 - o % PVC HIGH IN REJECT STREAM - REVERSE MODE
- o NRT TECHNOLOGY
 - 16 MACHINES SOLD - MOST TO CLEAN UP PET STREAM
 - HAVE COLOR CAPABILITY
 - THINKING ABOUT ALL BOTTLES

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FLORIDA INITIATIVE

- o WASTE ALTERNATIVES INC. - OCALA, FLORIDA
SELECTED AS SITE
 - NEW PLANT SITE
 - EXCELLENT, ENTHUSIASTIC MANAGEMENT
 - GOOD POLITICAL CONNECTIONS

- o MSS PET/PVC/COLOR SORTING UNIT SELECTED
 - LOAN FOR ONE YEAR
 - 18 MONTH PAYBACK ON PURCHASE

- o STARTUP EXPECTED - MID-NOVEMBER

CALIFORNIA INITIATIVE

o BACKGROUND

- BOARD APPROVED, IN PRINCIPLE, UP TO \$200,000 FOR SITING 2 UNITS (LOAN)
- WASTE ALTERNATIVES, INC., FLORIDA 1ST SITE
- 2ND. SITE PROPOSED NEAR LOS ANGELES

o PROPOSED SITE - ENVIROTHENE IN CHINO, CA. WEST OF LA

- CURRENTLY CLEANING HDPE
- CLOSE LOOP WITH 2 FILM PLANTS
- COLLECTING MIXED - 3RD BALE BOTTLES
- PROPOSED PILOT IN 1 OF 4 LA DISTRICTS

o PROPOSAL

- PLACE NRT SMALL UNIT (THEIR CHOICE) AT ENVIROTHENE
- ONE YEAR LOAN
- PURCHASE UP TO TWO-YEAR PAYBACK OR VI TAKE BACK

SORTCO - CSPI* - CANADA

- o CSPI - UNDER EPIC WING
 - RESPONDING TO ONTARIO/CANADIAN GOVERNMENT
 - COALITION OF COMPANIES (DOW, NOVACOR, EASTMAN, 7-8 IN ALL) TO FACILITATE PACKAGING RECYCLING IN ONTARIO
- o PLAN - CONTRACT WITH RECYCLER
 - SORT ALL PLASTICS RIGID CONTAINERS
 - MANUAL LINE INITIALLY WITH MSS DEVICE - 2.5 MM LBS/YR
 - MEMBERS OFFTAKE MATERIAL
 - COST TO COVER CAPITAL, MATERIAL, OPERATIONS
 - EVALUATE PROGRESS
- o VI - VIGOR WITH SYNERGISTICS
 - HANDLE PVC
 - ESTIMATED VOLUME - 85-172M LBS/YR
 - ESTIMATED COST - \$28-32M/YR
- o PROPOSAL:
 - VIGOR PICK UP COST - \$50,000/YR MAXIMUM
 - MATERIALS AVAILABLE TO VI MEMBERS
 - VIGOR MEMBER SIT ON CSPI BOARD

*Corporation for Sortation of Plastics

NEW TECHNOLOGY

- o LOW COST PVC SORTING DEVICE - < \$10,000
- o PROPOSAL FROM HENRY FRANKEL - PRF @ RUTGERS
- o EVALUATED UNDER SECRECY BY ROY GOTTESMAN
- o VIGOR
 - AGREED TO SUPPORT @ \$39,000 TO DEMONSTRATE
 - SHARE SUPPORT WITH PET
 - USE DEVTECH FUNDING

PROPOSAL:

- o SPECIAL ASSESSMENT - UP TO \$150,000
TO HANDLE ANY VIGOR BUDGET OVERRUN

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