A 'Buy-Quebec' policy irritates outsiders

When Baxter Travenol Laboratories of Canada made the low bid to supply 800,000 units/year of intravenous solutions to Partagec, a buying group for 30 Quebec City hospitals, the company thought it had sewed up the $7.2 million contract. Baxter thought wrong.

The Province of Quebec, citing regulations that give preference to suppliers with facilities in Quebec, stopped the bidding procedure and instructed the hospitals to sign a contract with Abbott Laboratories (Canada), the next-lowest bidder. Baxter, which is based in Ontario, then sought and received from the Quebec Superior Court a temporary injunction blocking the Abbott deal.

Abbott had recently completed an IV-solutions plant in Montreal. What put Baxter's nose out of joint, however, says Baxter President Richard Holmes, is that his company had outbid Abbott by $840,000 on a contract that represents 4% of the Canadian IV market. Further, he says, a letter to Quebec hospitals from Quebec's deputy minister of social affairs, Jean-Claude Deschenes, suggested that the bidding procedure be dropped and that future contracts be settled by negotiation.

Restraint of trade. "This is a restraint of trade, and the government has no right to do it," says Holmes. Such action, he fears, will keep his company and others out of the province's lucrative health-care market. Deschenes refuses to comment because the matter is now before the courts.

Abbott President and General Manager John Potter considers the province's action fair, noting that Baxter's only holdings in Quebec "are a couple of forklift trucks." But his firm has $40 million in fixed assets in the province.

For Abbott, the stake in acquiring the IV contract is significant. Its new plant, which was built with the help of $5 million in federal and provincial government subsidies, enables the company to compete with Baxter for the first time in supplying IV solution in plastic bags.

Abbott, because its IV solution was provided in glass bottles only, had been steadily losing market share to Baxter. Says Potter: "The impact of losing the Partagec contract would be tremendous. Quebec is the market we built the plant for."

The impact and the implications extend beyond the IV and health-care market. In May the Quebec provincial cabinet intervened in the bidding on a Montreal construction project. Bidding was postponed while the low bidder, a Wisconsin firm, was asked to increase its Quebec presence. But the Quebec government backed down in the face of lawsuits.

Now the provincial government seems determined to reinforce its policies to "buy Quebec." Early this month, Rodrigue Biron, Quebec's minister of industry and commerce, said that the government planned "to give its buying policy some teeth." A new regulation, to be enacted soon, he says will require companies that "receive subsidies from the government of Quebec to favor, to a certain degree, Quebec suppliers."

How far Quebec will go in favoring its home-grown suppliers remains to be seen. Preference policies, notes an industry observer, violate the General Agreement on Tariffs and Trade. The Quebec Superior Court's temporary injunction, meanwhile, remains in force, awaiting a ruling next month. □

Corrections. A chart accompanying our story on phenol (*CW, Sept. 22, p. 28*) mistakenly indicated that plants operated by Getty Oil and Kalama had been damaged by fire. They were not. The chart correctly indicated that a fire had damaged a plant operated by Allied.

The photograph of Orishim's nigrosine plant in Newark, N.J. (*CW, Sept. 8, p. 60*), should have been credited to Daniel E. Keough, editor of *Via Port*, a publication of the Port Authority of New York and New Jersey. □

wrap-up

Mobil loses a lawsuit

A Florida court has ordered Mobil Chemical to pay $7.3 million in damages to a tobacco farmer whose crop was destroyed by nematodes. The farmer, Robert Hawkins, had treated his crop in 1976 and 1977 with Mo Cap, a Mobil herbicide. Because the product didn't work, he argued before Union County Court, his business was "just about ruined."

Denouncing the ruling as "a gross miscarriage of justice," a Mobil spokesman says that the company will ask the court to dismiss the verdict or it will appeal. Even though Mo Cap is effective in many climates, says Mobil, it is no longer marketed in Florida because the state's heat and humidity make it impotent. Last year, Mobil sold the *Mo Cap* line, with its entire group of agricultural chemicals, to French chemical maker Rhone-Poulenc (*CW, July 8, 1981, p. 23*).

Voluntary retirement. With a massive reorganization program under way, Monsanto is offering voluntary retirement to about 1,900 U.S. employees beneath the vice-presidency level. Under the plan, effective Oct. 1 to Dec. 1, eligible employees would receive substantial pay bonuses.

Cities Service divests. Cities Service has sold its Industrial Chemicals Div. to Tennessee Chemical, a newly formed company. The purchase price was not disclosed. Tennessee Chemical is based at Copperhill, Tenn., where Cities Service produced copper-based and sulfuric-acid chemicals. Cities Service, now a subsidiary of Occidental Petroleum, put the business up for sale last year (*CW, May 27, 1981, p. 11*), along with its copper-mining and ore-processing facilities near Miami, Ariz. "Technically," a Cities spokeswoman says, the Miami property "was taken off the market a few months ago" because a suitable buyer was not found.

Phosphate workers strike. More than 500 employees of Gardinier's phosphate-chemicals plant near Tampa, Fla., walked off on Sept 16. The employees, members of Local 439 of the International Chemical Workers Union of America, struck after failing to negotiate a new contract. The union wants a 9%/year wage increase over the next two years and a continuation of cost-of-living adjustments. Gardinier, citing the recession, wants to forgo a pay raise the first year of the contract and to eliminate adjustments. Meanwhile, clerical and supervisory employees are manning the facility.

PCB disposal. The Environmental Protection Agency has denied permission for a third burn of polychlorinated biphenyls aboard Vulcanus, an incinerator ship, in the Gulf of Mexico. EPA, turning down the permit request of Chemical Waste Management and Ocean Combustion Service, claims that there is sufficient data from the two previous burns to know if the method meets agency standards. EPA requires that PCB disposal systems destroy 99.9% of the toxic waste.

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agency, including requiring the citizen to give EPA prior notice of the suit.

The final rule completed red border review in February. The staff members said that the rule was on the administrator's decision calendar before the Reagan Administration required OMB review of all rules and before Gorsuch was appointed.

State Enforcement Responsibilities

The proposed interpretive policy on state enforcement responsibilities under FIFRA reflects efforts by the Reagan Administration to reduce the adversarial relationship between the states and EPA, according to one agency official.

In July, EPA pesticides program chief Edwin L. Johnson said the agency would delegate more responsibility under FIFRA to the states (July 17, p. 363). During FIFRA hearings before the House Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, representatives of the American Association of Pesticide Control Officials, and the American Farm Bureau suggested limiting federal authority in state enforcement programs. The two groups also proposed changing Section 27 of FIFRA to give states 30 days to investigate rather than take enforcement action on a pesticide use complaint referred by federal EPA officials.

Nontarget Insects

A draft of EPA's proposed requirements for gathering and submitting data on pesticide hazards to nontarget insects, such as honey bees, was released by the agency in May 1980 (May 16, 1980, p. 157).

The subpart eventually will be part of the agency's Guidelines for Registering Pesticides, which prescribe data to be submitted for registration of a pesticide.

Polychlorinated Biphenyls

EPA TO ISSUE INCINERATOR SHIP PERMIT FOR TEST BURN IN GULF OF MEXICO

The Environmental Protection Agency will award a test burn permit to Chemical Waste Management Inc. to incinerate polychlorinated biphenyls aboard its incinerator ship Vulcanus in the Gulf of Mexico, according to EPA staff members.

The agency published notices in newspapers in July proposing to allow the test burn, and received one request for a hearing after the comment period closed Aug. 14. That request is being denied, staff members said.

The site of incineration, which will take place this fall, is approximately 370 miles south of Mobile, Ala., and 170 miles east of Brownsville, Texas.

The agency said in the proposal that Vulcanus has a combustion efficiency greater than 99.9 percent, based on findings from previous tests, and that stack emissions at the burn site are expected to fall within permissible limits.

Up to 3.6 million gallons of a mixture of PCBs and diesel fuel or organic solvents will be burned during the test, EPA said. The permit will last six months.

Under terms of the permit, Chemical Waste Management will monitor the incinerator for combustion efficiency, destruction efficiency, flame temperatures, feed rates, and tank changeovers, then submit the data to EPA headquarters within 10 days after the first burn.

The agency will have to determine that the incineration was 99.9 percent efficient before the company can proceed with further burning.

Chemical Waste Management's first PCB wastes will come from General Electric and several federal agencies, according to the permit application.

EPA staff members said the firm has been approached by other companies interested in supplying PCB wastes for the tests.

Hazardous Waste

NATIONAL MANIFEST, HAZARD CATEGORIES PLANNED FOR RCRA PROGRAM, OFFICIAL SAYS

NEW YORK — (By a BNA Staff Correspondent) — A national manifest to accompany hazardous wastes between generation and disposal and a system of classifying wastes by degree of hazard are among several changes to the Resource Conservation and Recovery Act rules planned by the Reagan Administration.

Thornton Field, special assistant to Environmental Protection Agency Administrator Anne M. Gorsuch, outlined the new RCRA initiatives Aug. 24 at the American Chemical Society national meeting in New York City.

Field said the Administration's goals in the area of hazardous waste management are to "make the rules more cost effective and efficient," and to "deregulate where possible." While emphasizing a strong hazardous waste enforcement program, however, the Administration "does not intend to use such phrases as 'a ticking timebomb,'" Field said, referring to the phrase often used by former EPA Administrator Douglas M. Costle when discussing hazardous waste problems.

Sometime this fall, EPA will issue a national manifest that would have to accompany all hazardous waste between point of generation and point of disposal. Field explained that this national manifest system would preempt all state manifest requirements and thus would ease the paperwork burden on firms that must comply with not only federal manifest requirements but also those of affected states.

Often several states, each with different manifest requirements, are involved between the site or sites of generation and the site or sites of ultimate disposal, Field noted. This means one shipment of wastes often must carry with it three or more different manifests that must be filed with or reported to several different federal and state agencies, he explained.

In addition to creating a national manifest system, the official noted the agency plans to eliminate annual reporting under RCRA except in specific instances. Another paperwork reduction will be to make changes to the Comprehensive Environmental Response, Compensation, and Liability Act (Superfund) reportable quality limit of one pound, Field said, adding, "The agency is not interested in reports on routine spills."

Degree of Hazard System

The agency is working to develop a degree of hazard system for classifying wastes, probably by industry or process, Field said. Although the agency has not decided which route to take, two options are under consideration.

The agency could take the existing regulations and fine tune them, Field said. Existing rules probably would be appropriate for land disposal of hazardous wastes, but new approaches probably would be needed for other types of disposal. Such a system would involve setting up types of wastes and categories along with management scenarios depending on where disposed and what, rather than by assigning a degree of risk to each waste.

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