

Albuquerque, New Mexico, Considers Minneapolis Ban

The Albuquerque, New Mexico, City Council is expected to consider this week a duplicate of the recently passed Minneapolis ordinance. The sponsor, City Councilmember Michael Wiener, hopes the ordinance will force the recycling of all plastic products. Local industries, including the New Mexico Grocers Association and the Soft Drink Association have mounted a campaign against the ordinance and are hopeful of their chances to block its passage. A council hearing has been tentatively set for June 8.

State Adjournments

The following 29 states have adjourned for the 1989 session:

Alabama	Montana
Alaska	Nebraska
Arkansas	New Mexico
Colorado	North Dakota
Florida*	Oklahoma
Georgia	South Dakota
Hawaii	Tennessee
Idaho	Texas
Indiana	Utah
Iowa	Vermont
Kansas	Virginia
Maryland	Washington
Minnesota*	West Virginia
Mississippi	Wyoming
Missouri	

* expected to hold special sessions

S T A T E BULLETIN

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SP

A high-contrast, black and white collage illustration. In the upper left, a car is shown from a front-three-quarter view. To its right is a large barrel. Below the barrel are several bottles of varying shapes. In the center, a large electric fan is depicted. To the right of the fan is a car. In the lower right, a large, rectangular object, possibly a refrigerator or a large container, is shown. The background is filled with abstract, dark, and light patches, creating a sense of depth and complexity. The overall style is reminiscent of mid-20th-century graphic design.

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On the Cover

The 10 representative plastics applications shown were the basis of a research project that showed that plastics can often save energy in all stages of their life cycle. Conducted by Franklin Associates, Inc. of Prairie Village, Kansas, the study has led to further work to examine the energy efficiency of all plastics. SPI hopes to dispel the impression that plastics are wasteful of energy.

1979-1980

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H.R. TOMFOHRDE, III
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New York, New York

Chairman's Report

It was a most interesting and worthwhile experience for me to serve as your Chairman during the two years ending May 31, 1980. As a machinery supplier, I had earlier anticipated the need on occasion to serve as a mediator between the diverging interests of resin suppliers and processors, but that hasn't been necessary at all. Instead, this has been a period of harmony and real progress. I can personally bear witness to the cooperative spirit and hard work of all involved in SPI.

As reported on the next pages of this report, our Public Affairs Committee, and staff, along with the supporting organizations, have become a smooth-running and effective operation—equal to the task of providing a protective umbrella for the industry.

Industry sales volumes rose steadily during these past two years. Reflecting this up cycle, our many sections, divisions, groups, councils and committees have never been busier. Nearly 700 official SPI meetings were held during 1979-80, in the interest of keeping markets open, developing new markets, and achieving progress in many areas.

The financial results have been gratifying, to say the least. In the *Annual Report* of a year ago we reported that fiscal year 1978-1979 was the biggest and best ever. And 1979-80 was both bigger and better. As shown in the Statement of Revenues & Expenses on page 13, gross revenues from all sources exceeded \$8.6 million, of which nearly \$3.5 million was raised and expended by SPI's Operating Units on special projects which were separately funded over and above the basic dues. These self-funded expenditures cover a broad range of projects, including toxicological research, legislative and public affairs activities, market and product development programs and meeting income.

The General Funds budget of SPI, which is administered by your Board of Directors, totaled \$5.1 million in fiscal year 1979-80. Largely because of the surge in interest rates, we generated an operating surplus for the year of \$269,547. To this we were able to add the net income from the 1979 National Plastics Exposition of \$674,470. As a result, after other adjustments, our total excess of income over expenses for 1979-80 was \$865,794.

Fortunately, these outstanding results provide a strong point of departure for the recession now in pro-

gress. After a very careful review of the situation and some expense reductions, your Board of Directors has established a General Fund budget for 1980-81 of \$5.8 million. In order to balance income and expenses they have drawn on 1979-80 excess income by \$220,000. Even after this action, the Society's reserves are equal to just under 50% of the current year's budget.

In addition, we achieved some modest gains in membership during the year: 144 new members, offset by 129 resignations, for a net increase of 15. Total company membership is now 1,215. We welcome these new companies and hope they will become active participants.

Our general feeling of optimism was further sustained by the results of the organization audit and dues study conducted for us in 1979 by consultants from the well-known firm of Ernst & Whinney. Their survey of Voting Representatives showed a substantial vote of confidence in SPI and its programs, including the dues system. No major restructuring or reorganization was recommended by Ernst & Whinney at this time.

However, I see no signs of any excess inventories of optimism in SPI. The recession/inflation conditions have hit our industry hard, and we can only hope that the predictions of an early leveling out and gradual rise are true. The trouble is that the regulatory and legislative pressures on the industry haven't slackened at all, and SPI has to continue to cope regardless of the business cycle. Old problems stay alive and new challenges keep rising.

Furthermore, it is inevitable that this industry will continue to grow and change. SPI will have to adjust and keep pace. Despite the good report card from Ernst & Whinney, your Officers and Directors are not satisfied with things as they are. What will be the basic mission of SPI in the eighties? What kind of membership organization will best serve our needs for the future? How should the staff be structured? What can be done to persuade more plastics companies to support their industry association? How can we make our programs and services better understood? Can we improve the dues system?

Work on these questions by your Board and staff was begun last spring and will intensify in the months ahead. I'm proud of what's been accomplished in the recent past. You have been well served by a very strong group of Directors who represent all elements of our diverse industry.

You are also in good hands with "Bud" Lundgaard as your new Chairman, with Jim Hearons as Vice Chairman, and with a well-balanced Board. Your staff continues to grow in competence. Thus, all the elements are present for a continuing strong trade association, provided you continue to give it both your personal involvement and financial support.

Ivar J. Freeman

IVER J. FREEMAN
Chairman



Mr. Freeman receives an inscribed silver tray for outstanding service to SPI from Ivar A. Lundgaard, incoming SPI Chairman.

SPI Public Affairs Committee

The plastics industry today is in an interesting but paradoxical position. On one hand we are going rapidly into new markets and applications; on the other hand legislation continues to threaten our growth by attempting to hamper our use of basic materials, by over-regulating our manufacturing processes and by trying to restrict the markets for our end products.

Basically, SPI's Public Affairs Committee (PAC) is the result of the industry's recognition that external forces were beginning to affect our marketing abilities and the realization that helping the plastics industry to market its products involved a whole new spectrum of activities reaching far beyond the marketplace. These are the issues with which you are now all painfully aware—toxicology, combustibility, solid waste and, most recently, energy. Sometimes one of these issues will affect a single segment of the plastics industry, often several segments will be involved. The role of PAC is to coordinate and manage the response of the plastics industry to issues like these, which threaten our viability and the overall growth of our markets.

PAC is composed of representatives of member companies selected by the Board. It reports directly to the Executive Committee of the Board of Directors.

The present structure of PAC is based on the following considerations: first, an umbrella structure is needed to provide up-to-date and comprehensive information, legislative monitoring and contact, public relations and other support programs. This inclusive structure also has the responsibility for industrywide issues such as energy. Second, to provide the kind of expertise that a more narrow issue requires, PAC created the concept of Issue Coordination. Each Issue Coordinator is responsible for maintaining an up-to-date and comprehensive understanding of a generic issue of concern to the industry. He provides background and expertise on the problems within his area of concern. He is the liaison between operating units dealing with the issues, the SPI staff, and the support services PAC provides. The Issue Coordinator has the knowledge and the resources to develop strategies, to recommend policy and to implement it.

When an issue concerns a clearly defined portion of the industry, ad hoc committees or special interest units are formed. Such a unit draws upon the expertise and support of PAC and its staff, it coordinates its activities with other SPI activities, but it is essentially autonomous.

Thus, PAC has structured itself to respond both to the fluidity of the issues confronting us and the diversity of the industry we represent.

Technical Support

The technical support activities of PAC are centered primarily in five committees: the Coordinating Committee on Consumer Safety, which handles matters dealing with combustibility of plastics; the Plastics Resource Recovery and Conservation Committee, which oversees technical activities in the solid waste area; the Toxicology Committee; the Committee on Occupational Safety and Health, and the Energy Task Force.

In general terms, all five committees have as their

prime function the gathering of technical, scientific or medical data in order to develop an SPI position on a particular issue or to lend additional support to long-standing SPI positions. In some cases, these committees also develop and supervise the implementation of programs to promote the positions that have been developed. Their work, in many respects, is the bedrock of the PAC effort, for without technically sound data, it would be impossible for PAC legal, government relations and public relations experts to defend the industry successfully in the various public policy arenas.

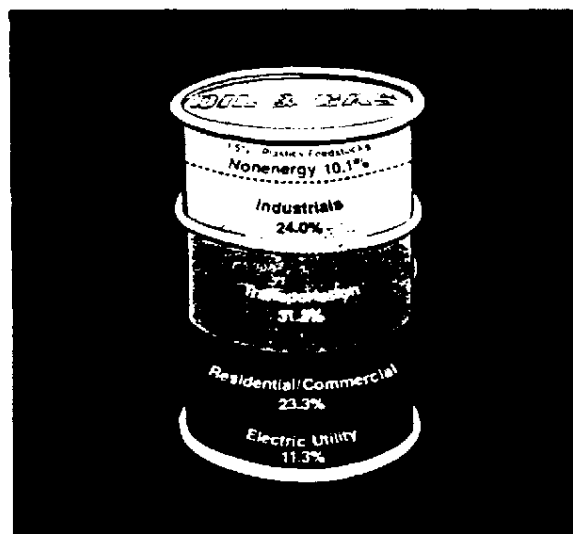
Each of these committees was established as the need arose. First, solid waste; second, combustibility; third, toxicity, fourth, occupational safety and health and, most recently, energy. In some areas, such as combustibility and solid waste, PAC has long been a sponsor of scientific research.

In other areas, such as toxicity and energy, PAC-sponsored technical research has not been extensive. Instead, those committees have relied on research conducted by other industry, government and private groups, which has provided data necessary for the development of important SPI positions. In some cases, this data has come from work carried out by self-funded groups within SPI itself.

In short, PAC will sometimes sponsor its own scientific research if such work is not being carried out by other responsible groups, or else it will use data gathered by others, but analyzed by PAC, to provide the necessary background for our issue-related efforts.

It should also be pointed out that these five committees do not operate in a vacuum, but draw upon and provide expertise to divisions and other self-funded groups within SPI as well as to outside organizations whose goals coincide with those of the plastics industry.

For example, the Energy Task Force has worked closely with the independent Petrochemical Energy Group to develop a program beneficial to both the pet-



As indicated, petrochemical feedstocks for plastics consume less than 15% of annual U.S. supply of oil and natural gas.



Among spokespersons participating in the PAC's Editorial Briefing Tours were John B. Westfall, director of business promotions for Phillips Chemical Co. (at right in photo left) and William C. Kuhlke, market research representative for plastics for Shell Chemical Co. (at right in photo center). The tours drew excellent response from newspapers, as well as TV and radio coverage.

rochemical and plastics industries. Similarly within SPI, the Coordinating Committee on Consumer Safety works closely with the Urethane Division, the Expanded Polystyrene producers, the PVC Safety Group and others on general matters of fire safety.

PAC's close liaison with these groups, to share information and experience and to avoid duplication of effort, has resulted in another benefit: the creation of a cadre of legal, technical, government and public relations personnel from both staff and outside counsel whose expertise can be called upon by other groups within SPI when the need arises. Nowhere has this been more clearly demonstrated than in the occupational safety and health area. Starting first with vinyl chloride and proceeding through acrylonitrile, OSHA's generic cancer policy and now styrene monomer, PAC and consequently all of SPI has built up a background on ways to handle any occupational health regulatory problem that may arise.

One recent effort of interest in the toxicity area has been the work of the Toxicology Committee in helping to make life easier for the plastics industry in complying with the multi-faceted requirements of the Toxic Substances Control Act. In essence, what we've been trying to do is to establish with EPA that polymers are basically biologically inert chemicals and should, therefore, not be subject to the same notification and pretesting requirements as are basic chemicals.

Another area in which we have been extremely active is Federal cancer policy, not just with OSHA and EPA, but with the Consumer Product Safety Commission and especially with FDA, whose policy regarding indirect additives has a direct bearing on the future of the entire plastics packaging industry.

In simple terms, the various technical committees of PAC provide the ammunition that the other special service units of PAC use in their ongoing battle with over-legislation and over-regulation.

Governmental Affairs

The volume of legislation carried forward from 1979 and introduced in 1980 has been moderately high in comparison with other years. The volume forecast for 1981 is very high because it will be the beginning of a new biennium in all but four states.

SPI has retained lobbyists in 10 states which present special or intense problems. In addition to the defeat of every seriously threatening bill against plastics, the overall lobbying program enjoyed two special suc-

cesses. Bills that would relieve molders of the responsibility for retaining customer molds indefinitely were passed and signed into law in Minnesota and Massachusetts (a similar bill was enacted in California last year). Plans have been made to extend this program for the coming legislative sessions.

The second success was through the State Governmental Affairs Committee. Having determined that the type of plastics milk bottle legislation and restrictive packaging review (or preclearance) legislation passed in Minnesota was planned for publication as model legislation for all states, SGAC took immediate and effective action. Contacts were made with the subcommittee of the Council of State Governments which was considering this action. The subcommittee was persuaded to withdraw the damaging model act, deemed especially antagonistic to free enterprise and plastics packaging generally. It has been estimated that this action probably eliminated the necessity of fighting similar legislation in 15 to 30 states.

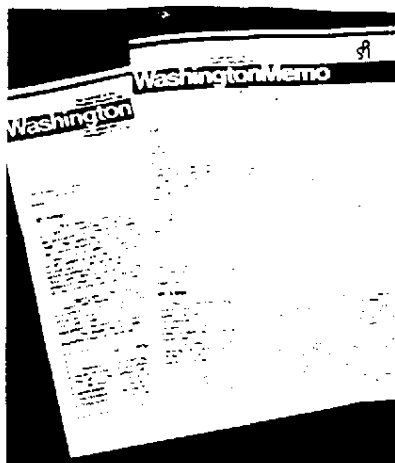
Two successful Government Relations Seminars were given during the year, in Dallas and in Detroit. A Civic Action Program, administered through the SPI Section Offices was instituted, to encourage members to become politically active in the 1980 elections.

A new facet of PAC's external communications program instituted this year is the series of Editorial Briefing Tours. This involves teams of specially trained industry spokespersons who go to a chosen area and discuss the issues with the media people in selected cities across the country. Cities are chosen for maximum beneficial effect—for example, the home towns of important members of the Senate and House Committees on Energy Policy. Results from the cities visited to date have been most encouraging, with a positive reception of the spokesperson by the press.

Existing programs such as Constituency Seminars, the Member News Bureau, and the capabilities for quick response to unwarranted criticism were continued during the year under the direction of PAC's Public Relations Committee.

Washington Activities

Over the last year, the SPI Washington office has intensified efforts to increase the visibility of the plastics industry in Washington. Monitoring relevant developments and making direct contacts with executive and congressional officials to present plastics industry viewpoints for consideration in Federal policymaking



Reporting on Federal activities to SPI members was enhanced by the regular publication of a biweekly *Washington Memo*.

has been a priority and has had promising results. Among objectives this year was to broaden and improve the ability to monitor Federal developments and report on the same and conduct Federal government liaison. Legislative surveillance has expanded and will be more fully developed by the 97th Congress. Reporting on Federal activities to SPI members was enhanced by the regular publication of a biweekly *Washington Memo*. The Federal Government Relations Committee is more directly involved in the SPI government relations effort through the formation of periodic task forces and the establishment of a permanent Steering Committee. The full Committee will play an even greater role in helping shape SPI strategies in the 97th Congress.

In Congress

In addition to expanding direct contacts with legislators, over 10,000 House and Senate bills and resolutions have been monitored this year. SPI submitted written comments on S. 1789, the Product Liability Risk Retention Act; on two superfund measures - H.R. 85, the Comprehensive Pollution and Liability/Compensation Act and on H.R. 7020, the Hazardous Waste Containment Act, and, S. 2154, an OSHA reform measure.

In the Federal Agencies

Last November, L.W. Sessions, Chairman of the SPI Energy Task Force, testified on behalf of SPI before the Department of Energy and Treasury officials on the Administration's proposal to limit oil imports. In January, Mr. Sessions also appeared before the Federal Energy Regulatory Commission at its hearings on natural gas incremental pricing for feedstock and process use. In March, the SPI submitted to the Department of Commerce proposed revisions in the Standard Industrial Classification Code (SIC Code). In June, SPI worked with other trade associations in hosting Chemical Industry Seminars for EPA to educate the staff responsible for writing regulations under the Toxic Substances Control Act (TSCA). In March, SPI met with officials from the Consumer Product Safety Commission to discuss CPSC's plastics flammability study and to offer SPI's expertise in this area. Also of interest to SPI members, a delegation of SPI representatives has met frequently with EPA staff responsible for developing the agency's policy and regulations on non-aerosol uses of chlorofluorocarbons.

Other activities of the Washington office included program planning for the 1980 Annual Washington Meeting. Highlights were a Congressional Breakfast with over 50 Congressional offices represented, a White House Briefing with OSHA Administrator Eula Bingham, remarks by EPA Deputy Administrator Barbara Blum, and House Ways and Means Ranking Minority Leader Barber Conable. Just after the 97th Congress convenes, the 1981 Annual Meeting will feature a Capitol Hill visitation program.

Looking ahead, the SPI Washington office has surveyed the Board of Directors, Washington Representatives and other interested SPI leaders to develop a legislative agenda for the 97th Congress, the first of its kind developed by the association. It will detail what actions the SPI wishes to see the 97th Congress take during its 1981-82 tenure. In a related area, the SPI Washington office is developing a Legislative Response program to enhance the association's ability to encourage member company action on Federal issues. The initial phase of the program will be operable by the convening of the 97th Congress in January, 1981.

NPE '82

The NPE '82 Executive Committee, headed by chairman Raymond Ross of Cincinnati Milacron, is working on the NPE blueprint to assure that the next plastics show, set for June 21-25, 1982 in McCormick Place, Chicago, will be the most successful ever.

With the drawing for space set for April 1, 1981, traditional objectives have been intensified to win increased attendance from areas of the U.S. not heavily represented at past NPE's and also from overseas nations. Toward this end, a multi-language brochure promoting the value of attending NPE '82 was produced and disseminated at the K '79 show in Dusseldorf last October and at Rubberplas '80 in Singapore in May.

As the plastics expositions have grown in stature and size (attendance totaled over 43,000 at NPE '79) promotion techniques and objectives have been fine-tuned increasingly to prompt attendance by prime decision-makers from plastics end-user industries, such as automotive, appliance, packaging and construction. This emphasis will be continued for the '82 show.

The 520 exhibitors at NPE '79 used 340,884 square feet, including first-time use of all three levels of McCormick Place. Exhibitors at that show declared their intention to enlarge their exhibit space at the next show—NPE '82. Responsive to this trend, the management of McCormick Place has made substantial modifications, adding 40,000 square feet of suitable space for exhibitors.

At this early planning stage, the NPE '82 Executive Committee has reaffirmed the value and success in past shows of the National Plastics Conference which will again run concurrently with the exhibit at NPE '82.

Operating Units

SECTIONS

Eastern Section

Chapter activities within the section continued to gain momentum. Meetings, which stressed the benefits of SPI membership and membership development, had record attendance.

In addition to dinner meetings with speakers, both the Mid-Atlantic and Southern Chapters had success with "mini-conferences," one-day meetings featuring a speakers' program, recreation and a dinner. The Eastern Chapter of the Moldmakers Division also had a record year with an expanded Board of Directors and increased attendance at meetings.

E-CON V, the section's 1979 annual meeting, showed a 20 percent increase in attendance over the previous year's meeting, which was itself a record-breaker. E-CON V had as its theme "The Image of the Industry" and featured speakers from the industry, trade associations and the media.

Midwest Section

As part of the section's chapter expansion program, directors at large were elected from key geographic areas to work specifically on the expansion. Ohio was divided into two chapters: Northern and Southern.

In Michigan, the section assisted in development of an end market automotive group. Section committee members offered support and guidance to this activity.

A project to have in place key members for legislative response in each state got underway. The objective is a group of 8 such members in each state.

Emphasizing member contacts and involvement, a key program for the section was increased visits between the section's staff and members.

New England Section

The New England regional office in Framingham was opened in November, 1979. Prior to the office opening, the section initiated publication of a monthly regional newsletter, *New England News*.

The 35th Annual New England Conference in October, 1979 drew over 190 attendees. The conference theme was "Manpower Development—Identification, Recruitment, and Training of Personnel for the 80's."

A moldmaker apprentice school in New England, based on the American Mold Builders Association program, was approved by the SPI Board as a pilot for a national moldmaker apprentice program. A committee was formed to develop promotion for the project and to manage the school. Promotion included local open houses to inform industry members, educators, the media and potential applicants of the program. Nearly 200 applicants have been tested for entrance into the program, of which approximately half qualified. Two-thirds of the 25 class seats have been reserved by industry members for apprentices they will sponsor. The school is scheduled to begin in September in Southbridge, Massachusetts. The instructors will be experienced moldmakers who have been trained by instructors in the AMBA school.

The section's Annual Spring Conference attracted 100 attendees who heard presentation on employee training, economics and energy.

One of the major objectives of the section has been to increase the visibility of the expanded regional activities and to create cohesiveness between the different SPI groups in New England. To this end, over 60 percent of the membership was visited by the regional manager. Leadership from all New England groups participated in development of section objectives, and all group activities are being coordinated from the regional office.

Western Section

Attendance passed the 1,000 mark at the section's 37th annual conference, which had as its theme: "Practical Politics for Plastics: Challenge for the 80's."

Educational activities in the section included an open house held by the Moldmakers Division which drew more than 80 high school and junior college vocational instructors and counselors. The Scholarship Committee worked on the establishment of a format and criteria for awarding scholarships.

The Plastics Industry Response Committee decided to repeat the successful Legislative Briefing, which was held in Sacramento in 1979. That briefing included visits to legislators, a reception for legislators and other government figures, and display of member companies' products. The next briefing is planned for February, 1981.

DIVISIONS

Epoxy Resin Formulators Division

Ad hoc committees were established in two areas: one to update the "Hazardous Labeling Guide for Epoxy Products," and the other to develop a formulating "primer" for new employees.

The Technical Committee reviewed the ERF Test Methods with the goal of updating and republishing them with an appendix which would include referenced tests of the American Society for Testing and Materials. After the first review, the Committee noted that several of the test methods were in need of updating and programs got underway to accomplish this.

Record attendance marked the division's fall meeting. Considerable effort was devoted to membership development activity.

Expanded Polystyrene Division

The division broke all previous records for attendance at its 1980 annual meeting. In addition to a double session conference, the EPS Annual Awards Competition and the company-sponsored EPS Scholarship Awards Competition drew excellent participation and outstanding press notice in national and local publications.

Membership in the division continued to grow. A directory of member companies and their capabilities was printed for the first time, and was distributed to architects, engineers and packaging and product designers here and abroad.

New data acquired through the division's combustibility and thermal conductivity testing provided backup for recommending revisions to many standards-making and code bodies. This data was instrumental in completing recommendations for the Standards Committee submission to Federal Specification HH-1-524 for thermal insulation board as well as to the "Handbook of Fundamentals" of the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc.

Research approval for EPS ceiling tile was granted by the Building Officials Conference of America, culminating two years of effort, and was a major accomplishment for the division. This rec-

The division's annual meeting was well attended, and regional meetings throughout the year continued as a mainstay of division programs. The division's annual meeting had as its theme, "Managing the Technology of the Plastics Mold." The conference focused on three major areas: new technology, personnel management and cost accounting principles. The conference included a half-day Cost Accounting Mini-Seminar, which featured an SPI Financial Management Workshop.

Moldmakers Division

A new "Directory of Moldmaker Services" listing the special capabilities of SPI moldmaker members was released. The division's Labor Survey was expanded to provide more detail on fringe benefits and more detailed geographic breakdowns.

The Moldmakers entered into a cooperative program with the American Mold Builders Association to expand apprenticeship programs. Using the curriculum developed for a Chicago school, SPI introduced the program in New England.

A scholarship program in honor of the late James R. Driscoll was started in the

A committee was set up to assist SPI in a joint venture with the Department of Energy to develop an energy savings manual for plastics processing. A second committee was active in the review and development of SPI's new safety manual.

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Machinery Division

The division's annual meeting was well attended, and regional meetings throughout the year continued as a mainstay of division programs.

The division continued its regular public relations program to cover product, to fast food chains, success story reprints, trade media feature articles and newspaper and feature columns. The emphasis is on benefits of using foam cups and support of anti-liter programs.

Informational activity on the controversy over the use of lemon and tea in foam cups was handled by the SPI Public Relations Department. Division members participated individually in answering media questions.

Foam Cup and Container Division

A membership campaign resulted in increased membership which is more representative of the plastics furniture industry today. Efforts continued to obtain multi-material representation.

Planning got under way for a furniture conference and exhibit during a furniture show to be sponsored by the Southern Furniture Manufacturers Association.

Furniture Division

ogition, on top of the Southern Building Code Congress approval earlier, establishes EPS ceiling tile as a viable interior trim material.

Fluoropolymers Division

Participation in the Statistical Program for granular PTFE (polytetrafluoroethylene) resin was expanded to include all the major domestic and foreign suppliers of this product into the U.S. market. The statistical program will provide a benchmark of a broad spectrum of the market.

The division's annual meeting, held in March 1980, had the largest number of registrants in the event's history.

The Policy Board implemented plans to increase the division's membership from geographical areas that are poorly represented as well as from processing areas that are presently underrepresented.

The Technical Committee developed a recommended standard for heat-shrinkable fluoropolymer tubing for promotion through the American Society for Testing and Materials.



The Moldmakers Division initiated a scholarship program in the Dayton, Ohio vocational school system in honor of the late James R. Driscoll. Winner of the first award was David Getter (third from left). At the ceremony were (left to right) Jack Galvin, immediate past chairman of the division, Mrs. JoAnn Driscoll, and Robert Sherman, staff manager for the division.

Dayton, Ohio vocational school system. Mr. Driscoll was vice president of Diamond Tool & Die Co. of Dayton, Ohio, and a member of the Moldmakers Division Policy Board. The first award was presented to David Getter, a graduating senior in machine trades at Montgomery County Joint Vocational School.

A direct mail program was developed as part of the division's membership drive.

Organic Peroxide Producers Safety Division

Increased technical support was provided for the Department of Transportation representatives at United Nations meetings on organic peroxides. This included data for position papers and attendance at meetings in London and Geneva by OPPSD advisors. The division supported the proposal of the Department of Transportation to adopt the United Nations' nomenclature for organic peroxides.

The division also supported the DOT's proposed rules which would prohibit shipment of any MEK peroxide with more than nine percent active oxygen.

Representatives of the division worked closely with a committee of the National Fire Protection Association to develop a new organic peroxide classification system which would be better suited to the needs of the association.

A compilation of specific organic peroxide toxicity data, obtained from a worldwide literature search, was completed.

Plastic Beverage Container Division

The division was very active in programs to stimulate the development of

systems for recycling polyester beverage bottles back into useful products.

The division provided substantial manpower and monetary support to the Plastic Bottle Institute's Gatekeeper Program. A brochure was published dealing with the environmental benefits of polyester bottles with regard to recycling options and energy consumption.

The division actively opposed mandatory deposit referendums in Ohio and Washington. In cooperation with the Plastic Packaging Strategy Group, the division helped fund the litigation that resulted in the Hawaiian law prohibiting the sale of beverages in plastic containers being declared unconstitutional.

Among the programs the division agreed to conduct are a market research study on consumer attitudes toward plastic beverage containers and support of anti-deposit efforts in various states.

Plastic Bottle Institute

The Institute decided to continue the public relations program which will emphasize the highly successful series of Gatekeeper Meetings with newspaper editors and environmental groups around the country.

The Institute also will give heavy emphasis to promotion of the PBI School Audio Visual Kit. A new feature of this program will be the development of television talk show appearances by member representatives.

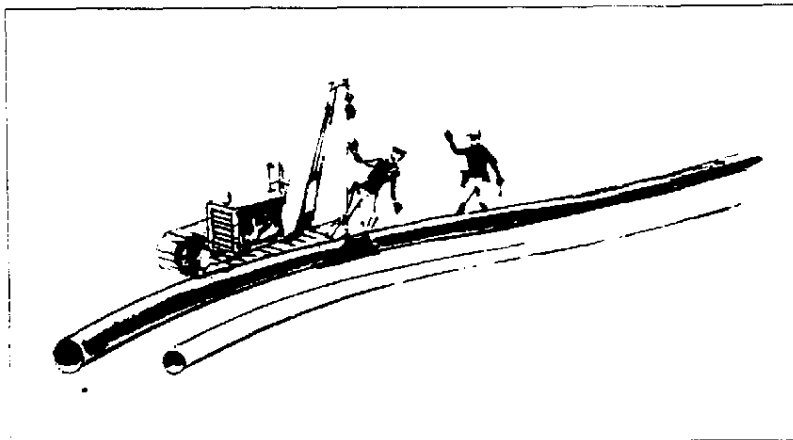
A major new effort got underway to sponsor a Plastic Bottle Seminar on October 1, 1980 in New York to inform the trade of latest developments in technical areas and public relations.

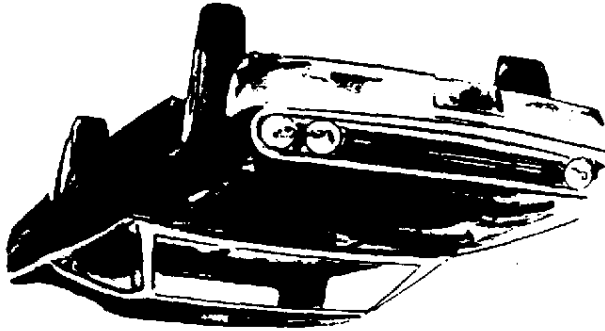
PBI funded the SPI petition to the Bureau of Alcohol, Tobacco and Firearms to approve polyvinyl chloride for liquor bottles.

Plastics Pipe Institute

Following up on last year's commitments PPI continued to stress the development of aids for the education of designers, specifiers and installers on the proper selection, design and installation of thermoplastics piping. Although this effort is important to the groups that PPI represents, it also serves to benefit the entire industry.

One of the Institute's Fuel Gas Division's most significant achievements was the completion of a slide program consisting of five separate presentations on recommended installation practices and the proper joining of PE pipe for gas distribution systems. It is designed to support and assist the utility companies in their compliance with mandated Federal programs. At present, over 100 slide presentations have been ordered for use in training programs for utility operators and inspectors. In addition, the PPI Technical Director participated as an instructor in





Sheet Producers Management Division

The division reviewed its organizational structure and established standard committees which include: Environmental, Safety, Quality Control, and an acoustic emissions test method

Rigid Plastic Container Division

A major membership recruiting drive got underway, focused on an annual management conference. The first such conference was part of the March Annual Meeting, and included speakers on feedstock supply, Food and Drug Administration activity, public relations, small business financing, and SPI activities.

The division continues to monitor trade activities that may require member action and to develop technical programs as needed.

Reinforced Plastics Composites Institute

Attendance at the 35th Annual Conference of the Institute came close to the record-breaking attendance figure of the previous year. Strong attendance was noteworthy in light of the economic decline that had begun to affect the RP industry in the fourth quarter of 1979. Planning for the 36th Annual Conference, to be held February 16-20, 1981, began with a call for papers.

A delegation of qualified representatives from a broad fabricator spectrum within the RP industry visited Sweden to observe the technology and engineering controls developed to comply with the relatively tight Swedish regulation on occupational exposure to styrene. At the conclusion of 1979-80 fiscal year, 66 percent of the target of \$1.44 million was collected to support the health studies program. The RP/C Occupational Health Steering Committee published a 10-page pamphlet report on progress in this area. A morbidity study was completed which found no adverse effects among workers exposed to styrene in a plant which meets the present standards. All styrene references in the world literature were indexed by computer so that they will be readily accessible.

Two test methods were completed by the Resins Committee and will be republished in book form. Work on development of a quality assurance code and an acoustic emissions test method

Profile Extruders Division

The division's meeting in October, 1979 featured speakers on micro-processing and the availability of plasticizers, plus a tour of a technical facility. The combined meeting of the division and the Vinyl Siding Institute had an attendance of 220 persons, setting a new record.

Membership of the burgeoning Window and Door Committee reached 84 members. The committee was very active in the area of standards development. A definitional standard is currently being balloted by the American Society for Testing and Materials. If approved, it will appear in the ASTM "Grey Pages" as a "Proposal." A performance standard was also submitted to ASTM. Material Specifications, Impact Resist-

Polymeric Materials Producers Division

In view of the broad and diverse interests of its members, the Division will concentrate its efforts in those areas which impact on the entire membership. Three areas were identified: energy and feedstocks, industrial health, and industry support.

An Energy Committee was formed to work with the Public Affairs Committee issue coordination in communicating to the Department of Energy the plastic industry's need for a sufficient supply of feedstocks if it is to continue to meet critical industry as well as consumer needs.

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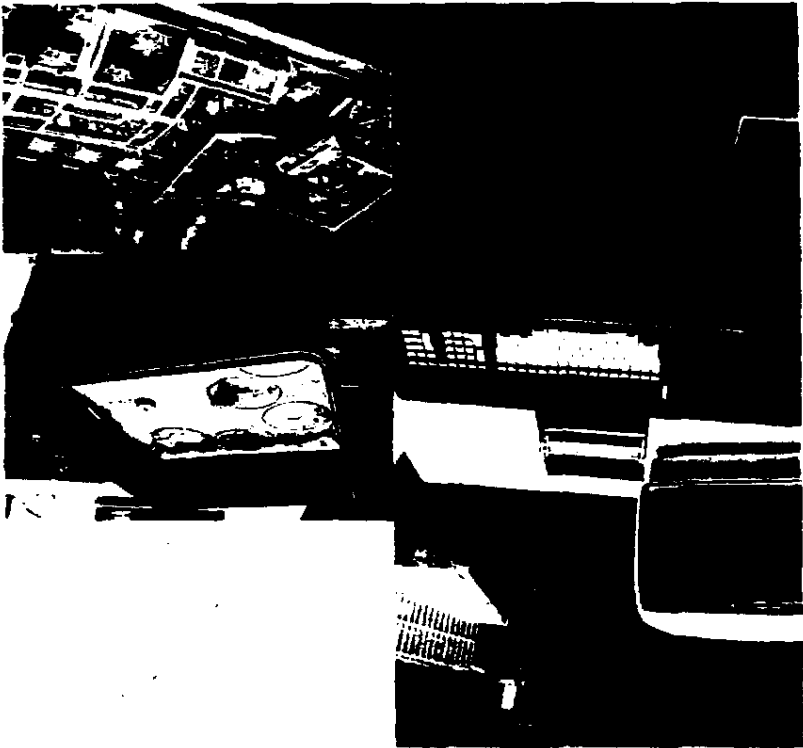
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Vinyl Siding Institute
Formerly the Vinyl Siding Products Division, the Vinyl Siding Institute is a self-funded operating unit with an annual budget for marketing and technical programs.
The Weatherability Committee distributed a two-year interim Weathering Report. A product standard (ASTM D 3679) was adopted and published by the American Society for Testing and Materials. The Institute's technical group was active in contributing input on the proposed standard.
The Marketing Committee began development of a public relations program. The Institute's Code Committee made personal contact with all the code groups in the United States in a continuing effort to obtain acceptance for vinyl siding.

Vinyl Formulators Division
Formerly the Vinyl Dispersions Division, this unit now represents all PVC formulators. To assist vinyl formulators in coping with the 80's, the division established a Legislative and Regulatory Committee to monitor and report on issues of import to members. A Technology Committee to advise the division on all technological issues for concern and/or action and a Membership and Attendance Committee to stimulate participation. Emphasis will be on the vital importance of SPI as a unification source and base for efforts to cope with the mass complexity of legislation, regulation and technology.
"Vinyl Formulating—the 80's," the Sixth Vinyl Formulators Seminar, was well attended.

Urethane Division
The division continued to sponsor a comprehensive communications and educational program to publicize the industry's position on flexible urethane foam applications and the combustibility issue.
The division published a brochure, "Using Flexible Polyurethane Foams Safely," for distribution to consumer groups and other interested organizations. The publicity program to promote flexible urethane foam in bedding and cushioning was also continued.
A number of research testing programs were initiated, including studies on ambient and accelerated R-values of rigid foams, fatigue characteristics of flexible foams and combustibility studies of both rigid and flexible foams.
An educational program on the essential use of fluorocarbon blowing agents in urethane foams was undertaken. An informational bulletin entitled, "The Importance of Fluorocarbons and Polyurethane Foams" was published by the Division.

Parts Competition Awards were presented in three categories at the Eighth Annual Structural Foam Conference and Parts Competition. First Place, Conference Award was presented for a B91 cabinet (left), a computer terminal work station, molded as a one-piece structure by Ex-Cell-O Corp., Athens, Tenn. First Place, Functional Application Award was given for an anti-personnel mine case (top, right), constructed so that on the launching pad, the top part of the structure breaks away, releasing the explosives-containing canisters within. The part was molded by Monitor Molded Products, Tacoma, Wash. First Place, Innovative Design Award was presented for an instrument panel retainer (right, bottom), used in the 1980 Chevrolet Citation. The retainer features a lattice-work structure that is lightweight, while maintaining structural strength. The part was molded by Chevrolet Adman Manufacturing, Adrian, Mich. Fifty-six structural foam products were entered in the Parts Competition.



Structural Foam Division
"The Expanding Challenges of the 80's" was the theme of the Eighth Annual Structural Foam Conference and Parts Competition, which attracted a record 518 attendees. The conference program featured 19 presentations on foam parts. Fifty-six structural foam products were entered in the Parts Competition. Six awards were presented for first and second place winners for functional application, innovative design, and conference award.
The Combusibility Committee's Large Scale Fire Test Program on Electrical and Electronic Equipment and Appliance Enclosures entered its third and final phase.
The Membership Committee continued its efforts, concentrating on new member contacts made at the annual conference.
The Machinery Committee began development of a recommended standard for the "Construction, Care and Use of Injection Molding Machines for the Manufacture of Thermoplastic Structural Foam," which will eventually be promulgated through a recognized standards-making organization.

The Technical Committee decided to focus on the objective of developing recommended standards for acrylic, nitrile-butadiene-styrene and polyethylene sheet.
The division received excellent participation in its revised statistical program on "Shipments and Unfilled Orders for Extruded Sheet by Material." The first quarterly statistical report is under preparation.
The Employee Practices Committee began conducting a labor survey. The Energy Conservation Committee polled the membership to obtain input on energy usage and conservation suggestions.
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COMMITTEES

Committee on Distribution

Two surveys were conducted on distribution performance measurement methods. The first was an update of the qualitative survey to ascertain what measurements and criteria are being employed by member companies to measure distribution performance.

The second survey was an update of the 1977 quantitative survey aimed at developing valid statistics pertinent to distribution patterns in the plastics industry. Committee members were also surveyed to obtain the current status of member companies' metrication efforts in the areas of packaging, labeling, orders and related shipping and distribution documents.

The Tank and Hopper Car Utilization Surveys were completed and distributed. A Rail Services Task Force was organized to gather data to illustrate to the railroads the need to improve rail service.

The semi-annual meeting held in October featured a workshop on "Distribution Organizational Structures and Philosophies." The conference coincided with the publication of *Issue No. 4—Organization Charts*, submitted by member companies.

A meeting of the VCM Emergency Response Committee was held in April to refine the procedures regarding reporting of and assisting at accidents involving VCM. This mutual assistance program will continue as a cooperative effort with the Chemical Manufacturers Association (Chemtrec).

A Marine Distribution Subcommittee meeting was held in December, 1979 and presentations made by container and barge companies, representing another step in the constant surveillance of the state-of-the-art as it relates to the marine distribution of plastic resins.

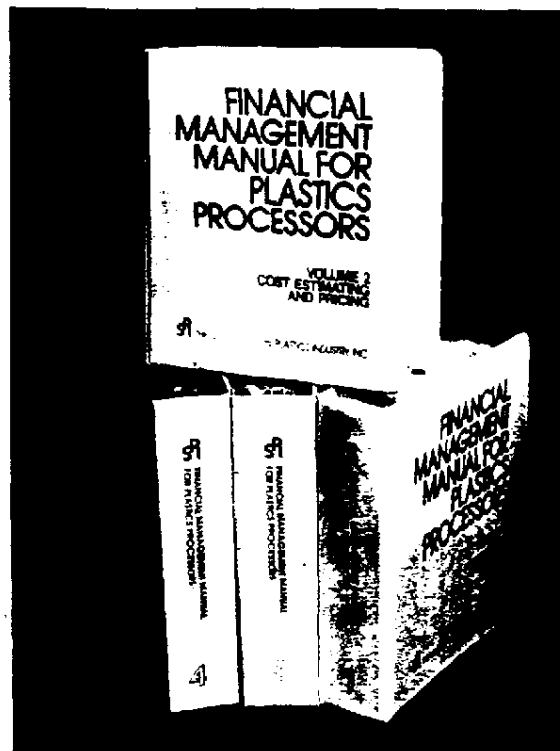
It was agreed to merge this committee with the Committee on Transportation, effective in June 1980, to form the Committee on Transportation and Distribution.

Financial Management Committee

The fourth and final volume of the *Financial Management Manual for Plastics Processors* was completed. Volume IV focused on "Materials Management." As an outgrowth of the Manual, the committee agreed to consider a seminar on computerized manufacturing and financial management systems.

The committee began organizing a

The Financial Management Committee completed the fourth and final volume of its *Financial Management Manual for Plastics Processors*. Volume IV focused on "Materials Management."



two-day seminar on Risk Management and Insurance, scheduled for early October, 1980. The presentation will be tailored to address the particular concerns of the plastics processing industry.

The 41st Annual Labor Survey (1979) was published in January, 1980, and the 18th Annual Financial and Operating Ratios Survey, covering 1979, was conducted.

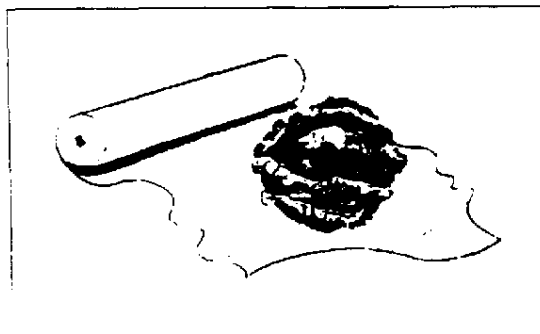
In conjunction with Ernst & Whinney, the committee embarked on the development of a series of articles on business management topics to appear in

SPI's *News Briefs*. The purpose is to publicize the services provided by the committee in general and the *Financial Management Manual* in particular.

Food, Drug and Cosmetic Packaging Materials Committee

The committee continued to monitor and report on activities at the U.S. Food and Drug Administration which impact on the plastics industry.

At its semi-annual meeting, the group held a successful series of subcommit-





tee meetings in which all interested members were able to hear and discuss the latest developments in their areas of concern and to participate in decisions on activities to support the SPI effort to promote government acceptance of plastic food, drug and cosmetic packaging. The subcommittees involved were: Technical Information, Lawyers Advisory, Drug Packaging, Medical Devices and International.

International Committee

The committee made extensive preparations for a Trade Mission/Technical Seminar to the People's Republic of China. The seminar, which took place in June, 1980, involved the participation of 16 people who visited Beijing, Nanking and Shanghai.

Videotape/Catalog Exhibition No. 2 was sponsored in the March-April period. Twenty firms participated. VCE No. 2, translated into French, was presented in Morocco, Tunisia, Kenya and Nigeria. The videotape was then shown at the Leipzig Trade Fair, East Germany, and INCHEBA Trade Fair, Brati-

slava, Czechoslovakia. SPI participated in the exhibit, promoting NPE '82. The committee began planning for a trade mission to Nigeria, Kenya and Egypt for the fall of 1980 as a follow-up to the leads developed from VCE No. 2.

The committee assisted in the organization, development and promotion of the Commerce Department's Trade Center Exhibition in Mexico City. Work was conducted on the development of a long range (five years) export promotional program for the U.S. plastics industry in conjunction with the Commerce Department's Specialized Assistance Campaign. The committee completed its work on the Multilateral Trade Negotiations bill, which Congress passed and President Carter signed into law.

Committee on Resin Statistics

Responsibility for the Plastics Pipe Institute's Monthly Statistical Report of Shipments of Thermoplastics Pipe & Fittings was transferred to this committee effective January 1980.

Data for the initial International Statis-

tics Report were received. The committee is reviewing these before the report is issued. The committee is also investigating the feasibility of collecting data on plastics feedstocks and additives.

The 1979 edition of *Facts and Figures* and the 1978 *Major Markets Report* were published in the fall of 1979.

The CRS formed subcommittees on International Statistics, Plastics Pipe & Fittings, Auto End-Use, Appliance End-Use and Thermoplastic Polyester. Each new group is designed to satisfy the broad spectrum of special interests of SPI members.

Committee on Transportation

Rail and motor carrier tariff changes constituted the prime focus of activities of this committee during 1979-80. Of prime import to the plastics industry, from a dollar impact standpoint, was the railroads' decision to forego approximately 60 percent of their October general freight rate increase with respect to plastic resins. Resins moving in bulk were subject to an increase of 2.4 percent nationwide, as contrasted with the general increase level applied to most other commodities which varied from 6.4 percent in the South to 9 percent in the East. It is estimated that this hold-down will save the industry approximately \$12.5 million, as compared with the general level of increase on an annual recurring basis.

Plastic resins received another hold-down on a general freight increase, effective in July, 1980, in the South and the West, and on September 1, 1980 in the East. The general level of increase is eight percent in and between the East and the West, and four percent in the South and between the South and both the East and the West. The railroads' increase for plastic resins was reduced from the eight percent level in and between the East and the West to four percent, thereby implementing a uniform nationwide increase.

Originally, the railroads proposed a seven percent increase in the West and five percent in the East, but reduced those levels to four percent after substantial opposition was expressed by the Committee and by industry members individually. The savings to the industry as measured against the original proposals will amount to \$2.9 million, and when compared to the eight percent general increase level will amount to \$6.9 million on an annual recurring basis.

The committee's Statement on Deregulation was approved by the SPI Board for release to government and legislative officials.

It was agreed to merge this committee with the Committee on Distribution, effective in June 1980.



The International Committee made extensive preparations for a Trade Mission/Technical Seminar to the People's Republic of China. The group of 16 saw several molding and machinery plants, and visited Beijing, Nanking and Shanghai.

SPECIAL PURPOSE GROUPS

Appliance Council

The Council chairman cooperated with the SPI statistical department in the development of appliance resin statistics. Both the chairman and the staff director monitored regulations and advised interested members.

Housewares Manufacturers Group

The group agreed to drop proposed Standard 56J on Combustible Solid Supplies in Health Care Facilities due to repetition/duplication of existing standards. The group submitted data relative to a ban on plastic refuse containers in Baytown, Texas.

Microwave Oven Cookware Group

An ad-hoc committee for several years, this group became an official SPI operating unit.

The group published a booklet entitled "Recommendations for Labelling and Glossary—Plastics Cookware for Microwave Ovens" for distribution by manufacturers and material suppliers.

The first of the formal educational programs to be included as part of the group's activities was a talk by Rose Rennekamp, product manager for Radarange Microwave Ovens.

After two years of preliminary development activities by SPI, the American Society for Testing and Materials formed a Task Force to undertake the promulgation of microwave oven cookware standards with initial emphasis on plastics ware.

A Marketing Committee was set up to

promote the group's products. Liaison was established with the International Microwave Power Institute and the Single Service Institute, and this liaison will continue to be maintained.

Plastics in Construction Council

Activity on behalf of the plastics industry in regard to specific regulations and code standardization occupied a major portion of the council's activities.

The most active committee within the council was the Insulation Committee. Working with the Urethane Division and the EPS Division, the council was in the process of updating both the Building Officials and Code Administrators' model code as well as the Southern Building Code with regard to a position that is consistent with other model code groups. In addition, several states and major city building departments were contacted concerning problems with the "responsible application" of foam plastics.

Plastics Drum Institute

Dialogue continued between members of the institute and representatives of the Department of Transportation and the Occupational Safety and Health Administration concerning regulations that impact on the 55-gallon containers.

A draft of the institute's technical bulletin on closures was distributed for comment. Work was conducted on a bulletin, "Recommendation for Precautionary Labeling of Reusable Industrial Plastic Containers."

The membership agreed to partici-

pate in rail impact tests with the Association of American Railroads.

A Re-Use Committee was established to investigate round robin testing to evaluate the reconditioning and reusability of plastic drums. The committee is presently obtaining participation commitments from chemical companies and reconditioners.

Plastics Packaging Strategy Group

The financial support of this group was particularly fruitful this past year. The Supreme Court decision from the state of Minnesota confirmed the unconstitutionality of that state's law precluding the use of nonreturnable plastic milk bottles. The First Circuit Court in Hawaii determined the unconstitutionality of the proposed plastic beverage container ban. Support was given to the Plastic Bottle Institute's petition to the Bureau of Alcohol, Tobacco and Firearms to obtain approval for the packaging of alcoholic beverages in polyvinyl chloride.

Polystyrene Safety Group

The group received updates at its November 1979 and March 1980 meetings on the Arthur D. Little study contracted by the Food and Drug Administration. The study compares the extractions of monomers from crystal polystyrene by food simulating solvents to those of actual foods. Group members provided input to Arthur D. Little regarding its upcoming study of high-impact polystyrene.

The group planned further testing at Southwest Research Institute to augment its previous living room test program.

Vinyl Film Group

This group was reactivated during the year and met twice to consider future programs. Group members agreed to undertake a quarterly statistical program on end use applications for vinyl film and sheeting in areas such as automotive, bags, construction, furniture and housewares, house furnishings, industrial and medical products.

A campaign to solicit new members got underway. The group is considering the sponsorship of a Vinyl Film and Sheet Conference in 1981.



"Recommendations for Labelling and Glossary—Plastics Cookware for Microwave Ovens" was the subject of a booklet published by the Microwave Oven Cookware Group.

Financial Statements

Balance Sheets

May 31, 1980 and 1979

	1980	1979
Assets		
Current assets:		
Cash in checking accounts and on hand	\$ 7,266	59,408
Savings deposits	21,427	20,010
Short-term investments, at cost (which approximates market)	4,495,283	4,895,318
Receivables:		
Membership dues	886	15,080
Other	40,777	13,724
Less allowance for doubtful accounts	(1,386)	(10,711)
Net membership dues and other receivables	40,277	18,093
Accrued interest	141,699	115,984
Prepaid expenses and other current assets	23,061	16,527
Deferred charges—1979 National Plastics Exposition	—	1,145,164
Total current assets	4,729,013	6,270,504
Fixed Assets:		
Furniture and equipment	220,113	192,261
Leasehold improvements	106,873	73,322
	326,986	265,583
Less accumulated depreciation and amortization	(113,811)	(84,516)
	213,175	181,067
Deferred charges—1982 National Plastics Exposition	121,846	—
Other assets	24,327	18,210
Total Assets	\$5,088,361	\$6,469,781
Liabilities and Fund Balances		
Current liabilities:		
Cash overdraft	\$ 220,896	\$ 95,006
Accounts payable and accrued expenses	616,292	568,627
Unearned membership dues	65,646	33,624
Deferred revenue—1979 National Plastics Exposition	—	2,318,540
Total current liabilities	902,834	3,015,797
Fund balances:		
General fund:		
Unappropriated	269,547	278,547
Appropriated (note 6)	2,656,816	1,782,022
	2,926,363	2,060,569
Special projects funds	1,259,164	1,393,415
Total fund balances	4,185,527	3,453,984
Total liabilities and fund balances	\$5,088,361	6,469,781

See accompanying notes to financial statements

Statements of Revenues and Expenses

Years ended May 31, 1980 and 1979

	1980	1979
Revenues		
Membership dues	\$4,399,298	\$4,145,888
Interest	635,889	402,581
Sales of literature	73,277	83,924
Special projects	3,480,987	3,039,534
Other	34,653	38,884
	8,624,104	7,710,811
Expenses:		
Direct		
Membership services:		
Legal and consulting	650,745	561,501
Communications (public relations)	121,217	96,116
Administrative	201,638	141,320
Membership promotion	54,013	33,098
Directory	22,077	24,206
Special projects—research, development, legislative and public relations	3,480,987	3,039,534
Service operating units	186,988	171,055
Divisions and groups	135,156	80,475
Regional offices	220,511	155,474
Public affairs committee	1,198,529	1,428,905
Chemical Industry Trade Advisor	2,000	2,000
Indirect program, administrative and general:		
Salaries and employee benefits	1,688,921	1,429,441
Office supplies and expenses	356,056	299,784
Rent	150,635	123,261
Auditing and computer services	64,483	60,220
Provision for depreciation and amortization	32,576	27,442
Provision for doubtful accounts	(26,845)	5,194
Other	45,770	3,238
	8,585,457	7,682,264
Less allocation of administrative expenses to National Expositions	230,900	250,000
	8,354,557	7,432,264
Excess of revenues over direct and indirect expenses	269,547	278,547
Product liability expenses	—	(36,425)
1979 National Plastics Exposition revenues, net of related expenses of \$1,980,103	674,470	—
Write-off of special project deficit balances:		
Accounting manual project	(50,445)	—
Plastics Hall of Fame	(27,778)	—
Excess of revenues over expenses	\$ 865,794	\$ 242,122

See accompanying notes to financial statements.

Statements of Changes in Financial Position

Years ended May 31, 1980 and 1979

	1980	1979
Funds were provided by:		
Excess of revenues over expenses	\$ 865,794	\$ 242,122
Add (deduct) items not requiring (providing) funds:		
Depreciation and amortization	32,576	27,442
Gain on trade-in of fixed assets	—	(120)
Funds provided by operations	898,370	269,444
Decrease in non-current deferred charges	—	310,018
Increase in special project funds balances	—	219,885
Total funds provided	898,370	799,347
Funds were used for:		
Purchase of fixed assets	64,684	34,967
Increase in non-current deferred charges	121,846	—
Decrease in special project funds balances	134,251	—
Increase in other assets	6,117	7,645
Decrease in non-current deferred revenues	—	73,845
Total funds used	326,898	116,457
Increase in working capital	\$ 571,472	\$ 682,890
Analysis of changes in working capital:		
Increase (decrease) in current assets:		
Cash	(52,142)	52,975
Savings deposits	1,417	1,214
Short-term investments	(400,035)	1,842,045
Net membership dues and other receivables	22,184	(3,842)
Accrued interest	25,715	57,105
Prepaid expenses and other current assets	6,534	11,059
Deferred charges—1979 National Plastics Exposition	(1,145,164)	1,145,164
	(1,541,491)	3,105,720
Decrease (increase) in current liabilities:		
Cash overdraft	(125,890)	(47,064)
Accounts payable and accrued expenses	(47,665)	(80,756)
Unearned membership dues	(32,022)	23,530
Deferred revenue—1979 National Plastics Exposition	2,318,540	(2,318,540)
	2,112,963	(2,422,830)
Increase in working capital	\$ 571,472	\$ 682,890

See accompanying notes to financial statements.

Statements of Changes in Fund Balances

Years ended May 31, 1980 and 1979

	1980		1979	
	General funds	Special projects funds	General funds	Special projects funds
Balances at beginning of year	\$2,060,569	\$1,393,415	\$1,818,447	\$1,173,530
Excess of revenues over expenses	865,794	—	242,122	—
Special projects funds additions:				
Assessments	—	2,123,769	—	2,039,898
Meetings and conferences	—	888,381	—	812,723
Sales of literature	—	131,299	—	109,286
Contributions in support of special programs	—	41,500	—	60,846
Budgeted general fund appropriations	—	95,587	—	300,000
Other	—	1,413	—	4,888
Special projects funds transferred to general fund revenues and expended	—	(3,480,987)	—	(3,039,534)
Appropriated funds expended	—	(13,436)	—	(68,222)
Write-off of special project deficit balances:				
Accounting manual project	—	50,445	—	—
Plastics Hall of Fame	—	27,778	—	—
Balances at end of year	\$2,926,363	\$1,259,164	\$2,060,569	\$1,393,415

See accompanying notes to financial statements.

Notes to Financial Statements

May 31, 1980 and 1979

(1) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting and include all material accounts receivable and payable, other liabilities and deferred charges.

The special projects funds represent receipts from certain members of the Society participating in selected industry projects and certain budgeted general fund appropriations. Such funds may only be utilized in accordance with the purposes established by the participants and are in contrast with general funds, over which the Board retains full control to use in achieving any of the Society's purposes. Special projects funds are reported as revenues and expenses when utilized for their intended purposes, except that the budgeted general fund appropriations are expensed when appropriated.

Fixed assets are stated at cost, less accumulated depreciation and amortization, which are being provided for over the estimated useful lives of such assets on a straight-line basis.

Other significant accounting policies are set forth in the financial statements and the following notes.

(2) Retirement Plan

The Society has a non-contributory trustee retirement plan for all employees who meet age and length-of-service requirements. Costs of the plan are funded currently, and for 1980 and 1979 aggregated \$96,022 and \$70,470, respectively. Unfunded past service costs amounted to \$95,907 at June 1, 1979, the most recent plan valuation date. Such costs are being amortized over a ten-year period. At June 1, 1979, the assets of the fund exceeded the present value of the participants' vested benefits.

(3) Products Research Committee Funds

Effective December 3, 1974, the Society executed a consent order with the Federal Trade Commission which required, among other things, the establishment of a Products Research Committee for the purpose of conducting research into the uses and hazards of cellular plastics products. The Society is custodian of the Committee's funds and, at May 31, 1980, held \$318,875 (\$621,795 in 1979) in checking and savings accounts for use by the Committee. Such funds are not included in the accompanying financial statements.

(4) Contingent Liabilities

The Society has been named or advised that it will be named as codefendant in several lawsuits. These actions, in the nature of product liability suits relating primarily to the combustibility of foam plastics, seek judgements for substantial damages. Counsel is of the opinion that the likelihood of unfavorable outcomes is remote.

These amounts include the lease prime. Society's executive office spaces at an annual rental including charges for electricity of \$172,673 per year. The lease expires in 1985.

Certain leases are subject to escalation provisions based on real estate taxes and building maintenance costs.

(5) Commitments

The Society's lease commitments for office spaces are as follows:

Year ending May 31	Commitment
1981	\$229,944
1982	224,268
1983	224,268
1984	222,306
1985	196,395
1986	<u>8,751</u>

(6) Appropriated General Fund Balances

Appropriated general fund balances consist of Directors' Special Reserve funds for:

	1980	1979
Capital improvements	\$ 8,074	\$ 7,196
Other	<u>2,648,742</u>	<u>1,774,826</u>
	<u>\$2,656,816</u>	<u>\$1,782,022</u>

Auditors' Report



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

345 Park Avenue
New York, New York 10154

The Board of Directors
The Society of the Plastics Industry, Inc.:

We have examined the balance sheets of The Society of the Plastics Industry, Inc. as of May 31, 1980 and 1979 and the related statements of revenues and expenses, changes in fund balances, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The Society of the Plastics Industry, Inc. at May 31, 1980 and 1979 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

July 21, 1980

Peat, Marwick, Mitchell & Co.

Officers and Directors 1980-1981

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Cincinnati, Ohio
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IVER J. FREEMAN
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EPOXY RESIN FORMULATORS



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Princeton, New Jersey
ORGANIC PEROXIDE
PRODUCERS SAFETY



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Toledo, Ohio
PLASTIC BEVERAGE
CONTAINER



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Port Clinton, Ohio
PLASTIC BOTTLE INSTITUTE



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& Co., Inc.
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PLASTICS PIPE INSTITUTE



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Middlefield, Ohio
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PRODUCERS



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Ashland Oil, Inc.
Ashland, Kentucky
REINFORCED PLASTICS/
COMPOSITES INSTITUTE



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Middletown, Delaware
RIGID PLASTIC CONTAINER



GERALD J. WEIS
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Grand Prairie, Texas
SHEET PRODUCERS
MANAGEMENT



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Hanson Pattern & Mold Corp.
Ludlow, Massachusetts
STRUCTURAL FOAM



ALFRED CIANCIOLO
Olin Corp.
New Haven, Connecticut
URETHANE



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Rutland Plastics, Inc.
Charlotte, North Carolina
VINYL FORMULATORS



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Bird & Son, Inc.
East Walpole, Massachusetts
VINYL SIDING INSTITUTE

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Term expires May 31, 1981



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Gott Corp.
Winfield, Kansas



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Houston, Texas



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South San Francisco, California



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Evansville, Indiana



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Borg-Warner Chemicals
Parkersburg, West Virginia

Term expires May 31, 1982



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Omaha, Nebraska



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Midland, Michigan



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Toledo, Ohio



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The Budd Co.
Troy, Michigan



RICHARD T. STUDER
HPM Corp.
Mt. Gilead, Ohio

Term expires May 31, 1983



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St. Louis, Mo.



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Leominster, Massachusetts



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Phillips Chemical Co.
Bartlesville, Oklahoma



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Wichita, Kansas



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Minneapolis, Minnesota

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Plastic Packaging Strategy Group
Polymeric Materials Producers Div

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to the President
Secretary to the Board

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Appliance Council
Committee on Transportation
and Distribution
Furniture Division
Housewares Manufacturers Group
Microwave Oven Cookware Group
Polystyrene Safety Group
Profile Extruders Division
Vinyl Siding Institute

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Staff Director
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Health (PAC)
Coordinating Committee on Consumer
Safety (PAC)
Organic Peroxide Producers Safety
Division
Products Liability Committee (PAC)
PVC Meal Wrap Ad-Hoc Committee
Vinyl Film Group
Vinyl Formulators Division
Radio Frequency Heating Committee

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Staff Director
Machinery Division
National Plastics Exposition

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Staff Director
Committee on Resin Statistics
Financial Management Committee
International Committee

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Information Specialist
Public Relations

JOHN GRAHAM

Communications Specialist
Public Relations

HOWARD KIBBEL

Marketing Analyst

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Staff Director
Technical Committee (PAC)
PVC Safety Group

FRAN WALKER LICHTENBERG

Assistant Technical Director
Staff Director
Toxicology Committee (PAC)

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Manager
Reinforced Plastics Composites Institute

ROBERT MALLIA

Controller

JOHN MALLOY

Director of Packaging Services
Staff Director
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Food, Drug & Cosmetic Packaging
Material Committee
Plastic Beverage Container Division
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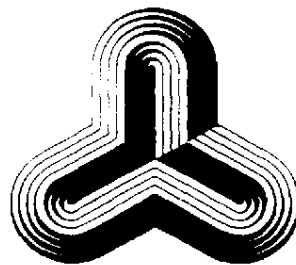
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