

A

VINYL INSTITUTE EXECUTIVE BOARD

J. W. Marriott
5150 Westheimer
Houston, Texas

Wednesday
February 27, 1991
8:00 a.m.

Attendees:

P. Benkner, Vinyl Institute
F. Borrelli, Georgia Gulf Corporation
C. Bush, BFGoodrich Company
P. de la Cruz, Keller and Heckman
B. Duerringer, Kaneka Texas Corporation
R. Flammer, Vista Chemical Company
R. Gottesman, Vinyl Institute
R. Kelly, CertainTeed Corporation
J. Koral, Atochem, N.A.
F. Krause, BFGoodrich Company
L. Krauskopf, Exxon Chemical Company
N. Jain, Witco Corporation
D. Magill, PPG Industries
W. Patient, BFGoodrich Company
W. Prinselaar, European Vinyls Corporation
M. Reynolds, Vista Chemical Company
J. Russ, Borden Chemicals and Plastics
G. Sandino, Petroquimica Colombiana
M. Scheck, Vinyl Institute
E. Schiffer, Georgia Gulf Corporation
E. Schroeder, Shintech Inc.
W. Shoun, Dow Chemical Company
R. Smith, Vista Chemical Company
N. Stefany, Rohm and Haas Company
M. Stickel, PW Resins
V. Struber, Witco Corporation
D. Wisner, BFGoodrich Company
J. York, European Vinyls Corporation

I. OPENING OF MEETING AND SELF-INTRODUCTIONS

Mr. Flammer convened the meeting at 8:00 a.m. and asked for a round of self-introductions. He noted the attendance of Mr. Krauskopf of Exxon Chemical Company, an incoming affiliate member of the Institute.

II. APPROVAL OF MINUTES OF DECEMBER 12, 1990 EXECUTIVE BOARD MEETING

Mr. Shoun moved that the minutes of the December 12, 1990 meeting of the Vinyl Institute Executive Board as contained under Tab A of the briefing book for this meeting be approved as submitted. The motion was seconded by Mr. Russ and approved by voice vote.

III. FINANCIAL REPORT

A. Status of Current Expenditures

Dr. Gottesman reviewed the principal elements of the cash basis statement for the period ending January 31, 1991, the first 8 months of the current fiscal year, as included under Tab B. He noted that expenditures are on target, with the monthly variance of both direct and indirect projects being no more than \$2,800. Dr. Gottesman further noted that there remains \$103,000 in unreceived income from the second half assessments, which were mailed in December 1990. In response to a question from Mr. Patient regarding the investment income from the VI fund balance, Dr. Gottesman stated that all income is invested by The Society of the Plastics Industry on behalf of the divisions and that interest generated from those investments is retained in the general SPI account. Mr. Flammer noted that the issue of interest on division funds had previously been discussed by the Institute's Executive Board.

B. Final Current Year Budget (FY 1990-1991)

Dr. Gottesman reviewed the elements of the final budget for the current fiscal year (the period June 1, 1990 - May 31, 1991), as included under Tab C of the briefing book for this meeting. Dr. Gottesman further noted that this budget incorporates all expenditures approved at the December 12, 1990 Executive Board Meeting, as noted in the items marked by an asterisk. Lastly, he noted that the projected fund balance at the end of the fiscal year of \$90,974 assumes that no money would be spent this fiscal year on the implementation of the strategic plan.

C. Development of Preliminary Budget For Fiscal Year 1991-1992

Mr. Flammer noted that the Executive Committee of the Board had discussed at its February 26, 1991 meeting guidelines for the development of a proposed budget for Fiscal Year 1991-1992. At this meeting, Dr. Gottesman was asked to work with committee chairmen to develop a

proposed budget based on the assumption of level total assessments for current members with the same membership base. Dr. Gottesman noted that he will be asking committee chairmen to provide budget requests with projects noted by priority. This proposed budget will be considered at the Executive Committee's May 7, 1991 meeting and presented for approval at the Board's May 29th meeting.

IV. SPECIAL ISSUES

A. Research and Strategic Plan to Manage Anti-PVC/"No Chlorine" Issues

1. Presentation of Plan

On February 14th, Ketchum Public Relations presented to VIGOR its final research report and proposed strategic plan. This material was reviewed and discussed at the February 15, 1991 meeting of the Communications Committee. Mr. Reynolds, Chairman of the Communications Committee and Mr. Krause, Chairman of the Vinyl Institute Group on Recycling, presented the proposed strategic plan. A complete copy of the presentation material used by Mr. Reynolds is attached to the minutes of this meeting.

Mr. Krause's presentation focused on the need to demonstrate to various audiences including government and customers that vinyl is not only recyclable, but that it is actually being recycled. He stated that more than general industry-wide activity is needed to demonstrate this commitment. Mr. Krause noted that demand for post-consumer material is escalating. He noted other pressures on the plastics industry, such as the recently released labeling regulations of the Northeast Recycling Coalition and proposed legislation such as Connecticut Bill HB 6435, which would limit the use of polymers used for packaging. Within the four elements of recycling (collection, sortation, reclamation and market availability), Mr. Krause reviewed the progress being made. In the area of collection, he noted that some of the major waste collectors are now beginning to move toward all rigid containers. In the area of sortation, he commented that the VI projects at The Center For Plastics Recycling Research using the ASOMA instrument with singulator and at National Recovery Technologies are helping to provide solutions. In the area of reclamation, he noted that the work at

Dev Tech approved at the last Board meeting is probably a year away. He commented that the major issue in this area is the development of a melt filtration system to remove contamination. In the area of markets, Mr. Krause noted that the University of Toledo study shows that markets are available and that demand is escalating. He noted that VIGOR believes that, while companies are pursuing their own programs, there is an opportunity to buy additional time. He recommended that one application be selected with a national impact. He noted that the most pressure is in the bottles-to-packaging recycling area, but that the strength of the industry for the long term is in the bottles-to-durables area.

2. Board Discussion

At the conclusion of Mr. Krause's presentation, Mr. Flammer commented that pipe remains an obvious, long term durable for the use of recycled material, but that due to a two-year ASTM code process, we would have to look at non-code applications. Mr. Kelly commented that in the durables area (siding) there have been recycling programs in place for the past 5 years targeted at material returns from the application site. Mr. Patient noted that based on recent meetings with waste management companies he believes that there is a substantial amount of research on collection and sortation already underway.

Dr. Gottesman noted that by scaling back some of the pro-active marketing programs of the Institute, and with the completion of some technical programs such as the work at National Recovery Technologies and at the Center For Plastics Packaging Research at Rutgers, some \$475,000 might be available from next year's budget for the implementation of the strategic plan. He further commented that a meeting is planned with Edward Howard and Company during the week of March 11, 1991 to discuss their thoughts regarding the implementation of the plan and projected costs to initiate the necessary programs.

Mr. Reynolds noted that part of this discussion will include the implementation of the issues management portion of the strategic plan, with the possibility of expending \$40,000-50,000 this fiscal year.

distributed copies of the Bottle Talk pamphlet developed using these ads. Mrs. Solin also referenced the recent announcement of the Vinyl In Packaging (VIP) Awards Program and noted that a press release on the awards program had already been picked up in a number of packaging magazines.

D. Communications Committee

Mr. Reynolds reported that as noted under the report included under Tab J of the briefing book for this meeting, the photography and text for the general vinyl industry brochure have been completed and that the agency is now working on alternative layouts. He noted that the VI members will be recanvassed to update order requirements, as the original estimate was done several months ago.

VI. REGULATORY AND LEGAL UPDATE

A. OSHA - Ethylene Dichloride PEL

VI Legal Counsel, Peter de la Cruz, reviewed for the Board the activities undertaken on behalf of those VI members with an interest in the Occupational Safety and Health Administration's final rule amending the air contaminants standard to create new permissible exposure limits for ethylene dichloride. Background information on this activity was included under Tabs K and M of the briefing book for this meeting. Mr. de la Cruz noted that the EDC Working Group is now working on developing test data that could be used to refine the agreement reached with OSHA on the use of air purifying respirators under certain conditions to achieve the PEL.

B. Clean Air Act Settlement Agreement

Mr. de la Cruz stated that the Office of Management and Budget has now approved for publication in the Federal Register, the notice implementing the provisions of the settlement agreement between SPI and the U.S. Environmental Protection Agency and Department of Justice as it related to EPA's 1986 amendments to the vinyl chloride standard issued under the Clean Air Act. (Note: The proposed rulemaking was published September 21, 1989.) Mr. de la Cruz commented that a set of comments would be filed in this rulemaking.

C. Food and Drug Administration - Status of PVC Rulemaking

Dr. Gottesman stated that Ogden Martin submitted September 1, 1989 a letter to the FDA Docket updating

letters they had submitted July 2, 1984 and January 6, 1989 concerning PVC in the municipal waste stream. Dr. Gottesman stated that the most recent submission specifically addresses the issues of incinerator corrosion and acid gas scrubbing and notes in conclusion that "....as PVC is a small percentage of total plastics in the waste, and an ever smaller contributor to total chlorine, we do not perceive the anticipated increases in PVC food packaging to be problematical."

D. Settlement of Pittsburgh Litigation By Carlon

Mr. de la Cruz noted that Carlon has entered into a unique settlement agreement with the City of Pittsburgh relative to a July 1988 City Council ordinance amending the city building code to prohibit the use of plastic pipe in duct and electrical work. Background information was included under Tab M of the briefing book for this meeting.

VII. EUROPEAN DEVELOPMENTS

Mr. John York updated the Board of significant activities in Europe of interest to the vinyl industry including a country-by-country summary of legislative/regulatory activity. He noted that he will provide a written summary to be appended to the minutes for this meeting. Mr. York also reviewed the APME activities related to the Organization of a Plastics Waste Management Institute. He noted that Mr. Prinselaar serves on the APME Solid Waste Task Force that develops the proposal for this new Institute.

VIII. NEW BUSINESS

A. National Recycling Coalition

Dr. Gottesman noted the request from the National Recycling Coalition for a financial contribution to help offset their proposed programs for this fiscal year. Dr. Gottesman noted that in conversations with Bill Moore of Waste Management, a contribution at the \$2,000 level is recommended as appropriate. Following a brief discussion on the issue, Mr. Martinelli moved that Dr. Gottesman be authorized to make a \$2,000 contribution to the National Recycling Coalition for this fiscal year. The motion was seconded by Ms. Solin and approved by voice vote.

B. Mexican Petition For Duty-Free Status of PVC

Dr. Gottesman noted that he earlier advised the Executive Board of a petition filed by Primex for duty-free status under the Generalized System of Preferences. Following

a brief discussion regarding the impact of this and similar requests, Mr. Flammer asked Mr. de la Cruz to review the issue and to determine whether the association can play a principal or supporting role in this issue or whether any legal filings must be made by individual companies.

IX. NEXT MEETING DATE AND LOCATION

Mr. Flammer noted that the next meeting of the Executive Board has been scheduled for December 13, 1989 at the Wyndham Greenspoint in Houston and asked VI members to review their schedules at this time should there be any scheduling difficulty that has developed since this date was selected. There being no suggestions that the date for this meeting needs to be changed, the next meeting of the Board will be held on December 13th.

There being no other business, the meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Meredith N. Scheck

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REC-007 18 1989

6th October 1989

Dr R T Gottesman
The Vinyl Institute
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155 Route 46 West
Wayne
NJ 07470

Dear Roy,

I promised to let you have in summarised form the oral comments I made at the meeting in Philadelphia about developments in Europe. These are attached and indeed in one or two cases have been updated by further events both favourable and unfavourable.

I hope our American colleagues find this summary of interest.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'J. York', written in a cursive style.

John York

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SUMMARY OF ENVIRONMENTAL DEVELOPMENTS
IN EUROPE AS PER SEPTEMBER 1989

AUSTRIA

Growing political pressure to ban or restrict PVC in packaging, construction and interior decoration. Parliamentary hearings have taken place in which politicians expressed on the one side, that something is to be done to reduce PVC consumption, on the other side that PVC plays a vital role in the caustic soda and chlorine balance. No decisions have been taken so far.

BELGIUM

PVC and PET producers and the trade are working constructively together in bottle collection and recycling schemes. There are positive contacts between industry, environmental groups and government. Situation generally under control at present.

LVM and two other companies have, together with the Flemish Region, formed ECOL, a company to engage in the material recycling of mixed plastics.

DENMARK

Environmental Minister repeatedly insists on voluntary reduction of 50% in total PVC consumption by 1992, with further reductions thereafter, or a total ban by 1993. Dioxin formation is the major issue, although actual evidence favours the PVC industry's case, supported by a Dioxin report from the Danish authorities themselves, as yet unpublished.

A new, more aggressive structure for the PVC defence has recently been formed with Wavin playing a lead role.

FRANCE

The "Pelican" bottle collection and recycling project, jointly run between Gecom and the largest French Federation of Ecologists, is working well. This project is also supported by the Environmental Minister.

SPI-09303

GERMANY

The Toepfer decree took effect 3/89 and imposes a mandatory deposit of 0.50 DM on all beverage containers, following a massive campaign by Coca Cola to introduce PET one way bottles. PVC bottles so far have not been affected because of a transition period to allow for collection schemes to be established. Toepfer now also propose that refillable bottles should be favoured to one-way bottles, which are to be limited to a small percentage of the overall drinks market.

A draft text has been introduced by the Toepfer Ministry, proposing the elimination of plastic packagings which are not "environmental friendly". All plastics are to be labelled by 1990 to help recycling. Hearings took place to collect industry and ecologists' views, and a decision is expected by year end.

A motion was put by the Green Party to the parliament to stop PVC manufacture altogether, claiming that it can be substituted. Again, hearings took place to collect views from industry, ecologists and neutral experts, but a decision to totally ban PVC is unlikely to pass the parliament.

Pressures from town councils to ban PVC from public buildings ("PVC free zones") is diminishing somewhat in the light of more rational debates about the economic and ecological balance for PVC and it's substitutes.

HOLLAND

Much more hostile atmosphere, with environmental groups engaging in anti-PVC campaigns and refusing to speak with the industry in seeking working solutions, though the Environmental Minister is prepared to collaborate. The campaigns concentrate on PVC packaging, leading the main super market chains to request from their suppliers to no longer use PVC.

The PVC working group within the Dutch Plastic Federation is extremely well organised and counselled by a specialist in environmental communication. They have managed to produce solid evidence that the specific dioxine concerns were attributed to the malfunctioning of the incinerator and not from the PVC in the waste. Working Groups are also being established on all sensitive issues to collect and compile information in order to arrive at an objective report. Workshops will then be held with the Ministry, with an invitation to the environmental groups to participate.

ITALY

The new waste law has obliged municipalities to organise separate collections of plastic bottles, bags, glass, paper and metal. Regional consortia are to be created to include industry and local authorities to develop recycling schemes, financed by industry. Incineration is an integrated part when energy recuperation is coupled.

Assoplast is waiting for a decision from the Government on how to regulate the consortia, with a good chance that their proposals become accepted with only minor changes.

The PET and PVC bottle collection and recycling scheme as set up by Tecoplast is developing well. 32 Supermarkets are now equipped with the "Azzura Mangiabottiglie" automat, with another 40 in preparation.

A PR campaign has been launched by Assoplast in order to improve the image of plastic materials in the public.

A 100 lira tax on PE bags has come into effect, with biodegradation still being a major topic in the discussions.

SWEDEN

Concerns are increasingly expressed about PVC as a user of chlorine, similar to what developed in the paper industry, where a tax for the use of chlorine in the bleaching process is to be paid.

SWITZERLAND

A draft ordinance on beverage containers proposing a ban on PVC bottles and metal cans was published in early 1989. ASKI and other industry groupings firmly opposed to this draft leading the Government to enter new consultations until the end of the year. Meanwhile, industry is establishing collection schemes to recycle PVC bottles as an alternative to a ban, as well as offers to take back salts from the incinerators. The European Commission will also meet with Swiss authorities in October to express EC reservations regarding the Swiss proposal because of its serious impact on free trade.

However, previous measures have already cut PVC usage in packaging by 60%, a level unlikely to be exceeded.

UK

Strong pressure from well-organised environmental groups against the use of PVC in packaging, but the defence activities of the BPF are gathering momentum. The first phase of the Greater Manchester Project to evaluate the possibilities of recovering plastic from municipal waste has started and further progress has been made on activities at Sheffield Recycling City.

These include plastic bottle collection via bottle banks, the setting up of a BPF run site for all plastic collection and the formulation of an outside collection scheme to be started in November. Other towns and cities wish to join and Cardiff could be the second location for a similar initiative. Publicity has in general been good concerning these schemes.

Advance comments in the media on PVC and other plastics continue to be a regular feature and all of these are being immediately answered by the BPF.

Also the "green consumer" is being bombarded by not very accurate information and this is motivating the major retailers to take a green stance. The PVC producers, the BPF and the PVC Plastic Film Group in the UK has been active in presenting the facts about plastics and PVC to major retailers to try to control this debate. Industrial firms have also been active individually. The result is much activity and uncertainty. The Green Consumer Guide to Supermarkets was published on 28 September and it gives a much more optimistic view of PVC's future as a packaging material. The balance of the material used was much improved as a result of intervention by the British Plastic Federation and representations by the PVC industry earlier in the Summer.

All is quiet at the moment on the "cot death" front. The BPF is awaiting a report on the subject by the Government Scientist but it is feared that more work will be required by the industry in order to distance the industry from the problem.

DEVELOPMENTS AT EUROPEAN COMMISSION LEVEL

It is to be expected that new regulations for beverage containers will be proposed shortly to replace the 1985 directive, which obliged member states to reduce the volume of beverage containers in the waste stream and led to the German situation described before. The new regulation is likely to place refillable and recyclable containers on a same level, this means that collection and recycling of one-way bottles will have to develop. Mandatory deposits will most likely not be imposed on an European basis, but will be allowed in order to achieve significant levels of return. A figure as high as 80% may well be proposed.

The commission plans to propose by the end of this year a first draft of a directive regulating the plastic fraction of the municipal solid waste. APME has just adopted a text on this subject to submit to the commission, outlining the European producers commitment to contribute to plastic waste management. This includes a commitment to actively participate in material recycling developments. The commission is likely to propose a text which places significant constraints on the plastics industry, including the setting of ratios for material recycling.

Under revision is the regulation on Cadmium. The industry has provided its input and it seems, that the use of Cd stabilisers will continue to be allowed for PVC outdoor applications. However, some countries may adopt stricter regulations.

R. B.

R. BÜHL (with input from N. RUSSOTTO, ECVI)

RB2101/mm

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