



September 24, 1992

Mr. Daniel G. Stanowick
Senior Vice President
Edward Howard & Co.
One Cascade Plaza - 19th Floor
Akron, OH 44308-1121

Dear Dan:

In follow-up to the assignment I accepted at the PRO meeting in Cleveland on September 22, enclosed is a copy of the chronology that I developed on the California Environmental Impact Report on Plastic Pipe (EIR). This, along with the copy of the memorandum from Lew Freeman dated September 21, also enclosed, will provide the requested update on the California EIR.

As discussed, these two items should be appended to the minutes of the PRO meeting.

Kindest regards.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Roy", is positioned below the typed name "Roy".

Enc. 2

cc: Pat Benkner, VI (w/o attach.)
Mike Barish, BCP (w/o attach.)

CTL029016

CHRONOLOGY OF EVENTS

CALIFORNIA ENVIRONMENTAL IMPACT REPORT (EIR)

Time Period or Date	Event
1979	California Commission on Housing and Community Development, later renamed the Department of Housing and Community Development (HCD) issued a proposal which would have permitted the expanded use of plastics pipe including PVC, PE, PB and CPVC for DWV and potable water in residential structures. Public hearings were held with the Pipe Trades Council and local unions raising objections due to allegations concerning the flammability of pipe and worker health/toxicity issues related to the use of solvent cements used to join piping materials. The California Legislature directed HCD to delay approval of its proposal until further testing was carried out to address the issues raised by the Pipe Trades Council. This led to the agreement to develop an Environmental Impact Report (EIR) as required by the California Environmental Quality Act (CEQA).
August 1982	SRI International, Palo Alto, CA selected as the contractor to carry out the EIR.
March 1983	SRI issued its Environmental Review Document (ERD) which found that: ● No additional work on the flammability issue was needed. ● Further work on the worker health issues was recommended. ● Additional testing on leachates from PB and CPVC was needed.
August 1984	HCD issued protocol for leachate studies.
1985	Versar Laboratories engaged by California HCD to carry out leachate studies but Versar was terminated as contractor due to failure to follow agreed-upon protocol.

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Time Period or Date	Event
1985	Vinyl Institute contracted with McKesson Environmental Sciences, Pleasanton, CA to carry out leachate studies following agreed-upon protocol.
July 1986	Vinyl Institute submitted McKesson final report on metal pipe and CPVC leachate testing to HCD and urged its inclusion in the EIR. The McKesson study showed that: • No carcinogens were leached from CPVC pipe or solvent cemented joints. • Lead leached from soldered copper joints far exceeded then current and proposed EPA standards for lead in drinking water. • Potentially harmful amounts of copper were leached under some water conditions.
Late 1986	HCD arranged for the leaching studies terminated at Versar to be undertaken at the University of California at Berkeley.
August 1987	CH2M Hill completed Vinyl Institute-sponsored Risk Assessment based on McKesson Leaching study and concluded that under commonly occurring water conditions, both CPVC and copper provided water meeting drinking water standards and health advisories. Leachate studies at University of California at Berkeley were completely, essentially confirming the McKesson results.
December 1987	SPI contracted with HCD for completion of Phases I and II of the EIR by SRI at a cost of \$ 206,384.
January 1988	Pipe Trades Council demanded that a worker health assessment study on hazards in solvent cement joining of plastic pipe be carried out. Pressure was applied to both HCD and the Department of Health Services (which had earlier issued a report indicating minimal/low health hazards) and ultimately, HCD "caved in".
February-April 1988	Negotiations continued regarding worker health study but public funding was not available due to state's financial budget crisis.

Time Period or Date	Event
May 31, 1988	BFGoodrich and The Vinyl Institute agreed to fund worker health study: BFGoodrich - \$ 44,736, Vinyl Institute - \$ 209,798 , Total - \$ 253,798.
June 17, 1988	Contract signed with California Public Health Foundation (CPHF) for worker health study including testing during the 1988 "hot weather" season.
September 1988	Department of Health Services responded to Pipe Trades Council criticisms of the CPHF proposed protocol that its "specific criticisms ... are inaccurate" and that "suggestions for revising the protocol do not reflect adequate understanding of either hazards or ... methods appropriate for studying those hazards". CPHF exposure monitoring started on September 15 and continued through November, followed by laboratory analysis.
Feb. 10, 1989	Draft report on CPHF study released for review by the Department of Health Services (DHS).
May 1, 1989	Final report on "Plastic Pipe Installation: Potential Health Hazard for Workers" issued by DHS.
Aug. 21, 1989	Draft EIR on "Plastic Plumbing Pipe" issued. Major conclusions: • "Wider use of plastic plumbing pipe would not increase public health hazards significantly." • "No significant environmental effects are associated with more widespread use of plastic plumbing pipe." • "No significant cumulative or long-term consequences are anticipated with expanded uses of plastic pipe." • "No unavoidable significant irreversible changes are expected with expanded use of plastic pipe." • There is "no clear environmental preference for plastic or for metal pipe."
September- October 1989	Public hearings on Draft EIR held; Sept. 26 in Los Angeles, Sept. 27 in Oakland and October 5 in Sacramento. Pipe Trade Council and union representatives attacked ABS and PB for alleged pipe failures.

CALIFORNIA EIR CHRONOLOGY

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Time Period or Date	Event
October- November	Pipe Trades Council attempts to derail EIR by various tactics: charged hearing officer with 1989 personal interest and bias, inaccurate statements regarding NSF third party certification program, and attempts to get legislature to intercede.
Dec.18, 1989	SRI requested two-week extension period for preparation of administrative draft final EIR (ADEIR).
Jan. 11, 1990	SRI was advised by HCD that extension to March 31, 1990 was granted to "complete the project."
Dec. 1990	SRI delivered its "final" EIR to HCD.
Early months 1991	SRI "final" EIR was being reviewed by Attorney of General's office.
May 16,1991	SPI California Counsel and Pipe Trades Council Counsel were advised by HCD that "additional work will be needed before the SRI "final" EIR conforms with the requirements of CEQA.
July 18, 1991	SPI California Counsel LoDuca and Lobbyist Heim met with HCD attorneys who were advised that while the Attorney General's review was only about 85% complete, there were some 100 problems with the text. SRI failed to properly respond to comments, particularly those made at public hearings in September and October 1989 (See page 3, above).
Sept. 12, 1991	SPI representatives (Lew Freeman, Marcus LoDuca and Keller and Heckman attorneys) met with Travis Pitts, Deputy Director of HCD. HCD agreed to approach SRI about a meeting to correct the major shortcomings in the "final" EIR. Should that fail, HCD would pursue arbitration provisions under its contract with SRI.
Sept.23,1991	HCD letter to SRI proposed "a viable solution to producing an acceptable EIR in the least amount of time at the least expense for all those involved." All parties (SPI staff, retained counsel and HCD) would work side-by-side with SRI staff to make changes "on-the-spot".

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Time Period or Date	Event
Sept. 23, 1991 (cont'd)	A response in 10 days was asked for. If SRI did not indicate a willingness to cooperate, HCD would "declare a default" under its contract.
Oct. 4, 1991	SRI response indicated a willingness to "explore means by which the EIR can be revised without <u>further</u> significant expense." SRI advised HCD that it was owed by HCD representing final payment, withhold and "additional costs due to HCD delays and changes."
Nov. 12, 1991	Teleconference between HCD, SRI and SPI representatives to establish an agenda for face-to-face meeting at SRI's Palo Alto headquarters including: ● Detailed list of tasks and responsibility for same. ● Determining the costs by SRI for the work to complete the EIR. ● Availability at SRI of technical information and personnel to make changes in the existing document.
Jan. 13, 1992	HCD Counsel Dennis Beddard advised SPI California Counsel Marcus Lo Duca that HCD had done all it was supposed to or could be expected to do under its contracts with SRI and SPI and the result was an inadequate EIR document.
Jan. 23, 1992	Following two calls by Keller and Heckman Attorney Bill Kovacs and SPI California Counsel LoDuca with HCD's Dennis Beddard, Beddard advised them that: ● An attorney had been located within HCD that had CEQA experience and would be developing an option paper for HCD Director Tim Coyle. ● HCD had learned from SRI that their claim for additional money was lower than anticipated, amounting to \$ 30,000.

It was also agreed that, in view of no political downside should SPI decide to litigate this matter, Ralph Heim would try to set up a meeting with Tim Coyle advising him of SPI's intention to proceed with legal action, if HCD did not move rapidly to resolve impasse.

Time Period or Date	Event
February - June 1992	Ralph Heim tried to arrange for meeting with HCD Director. Several times scheduled meetings were either cancelled or postponed.
July 2, 1992	Shortly before the meeting with Tim Coyle, Ralph Heim was advised that Coyle would not be available. At a meeting with Ken Kobrin, Chief Counsel/Deputy Director of HCD, Heim and LoDuca were given a letter essentially stating that HCD will not complete the EIR unless SPI provides technical and fiscal resources.

Roy T. Gottesman
July 6, 1992

CTL029022

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Lewis R. Freeman, Jr.
Vice President
Government Affairs

Memorandum

TO: California Pipe Group
FROM: Lew Freeman
DATE: September 21, 1992
SUBJ: Meeting with California HCD General Counsel

Last Tuesday, September 15 Marcus Lo Duca and I met with Ken Kobrin, general counsel and deputy director of the California Department of Housing and Community Development to explore ways of "restarting" the stalled EIR process. Dennis Beddard, who works for Kobrin and has been a part of the process for the last few years also participated in the discussion. Kobrin has agreed to initiate a meeting involving SPI and SRI for purposes of identifying what remains to be done on the EIR and making assignments to accomplish the final necessary work. I emphasized in our discussion that while the industry was not willing to make further payments to the state, we were willing to provide at our expense technical and legal expertise to assist with the finalization of the document to the extent that the state and SRI would permit us. Kobrin has agreed to this and has initiated contact with SRI. Pinning down a specific date for a meeting must await the return from vacation of Spencer Floyd, manager of contracts with SRI, during the first week of October.

I wish to convene a conference call next week to discuss in a little more detail the steps we should follow and who should participate in the HCD/SRI/SPI meeting whenever it is scheduled, which will probably be sometime in November. Please advise Melody Charno by phone (202/371-5221) or by fax (202/842-1165) what your availability for such a conference call is on one of the following days: September 29, September 30, October 1 or October 2.

LRF:mfc

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