

A

VINYL INSTITUTE EXECUTIVE BOARD

The Rittenhouse Hotel
210 West Rittenhouse Square
Philadelphia, Pennsylvania

Friday
September 13, 1991
8:00 a.m.

Attendees

Raymond Azrak, Union Carbide Corporation
Alan Bailey, Occidental Chemical
Pat Benkner, Vinyl Institute
Bob Burnett, Vinyl Institute
Peter de la Cruz, Keller & Heckman
Bruce Duerringer, Kaneka Texas
Roy Gottesman, Vinyl Institute
Jerry Koral, Atochem
Fred Krause, BFGoodrich
Len Krauskopf, Exxon Chemicals/Canada
Brad Lienhart, Dow Chemical
Bob Margevich, Akzo Chemicals
Bob Noble, Exxon Chemicals/Canada
W.F. Patient, BFGoodrich
John Russ, Borden Chemicals
Meredith Scheck, Vinyl Institute
E. S. Schiffer, Georgia Gulf
Erv Schroeder, Shintech
Jim Souder, Rohm & Haas
Vic Struber, Witco
Roger Wilson, GE Specialty Chemicals

I. OPENING OF MEETING AND SELF INTRODUCTIONS

Mr. Russ convened the meeting at 8:00 a.m. and asked for a round of self introductions. Mr. Russ welcomed Mr. Azrak of Union Carbide and Mr. Lienhart of Dow to their first Executive Board meeting. Mr. Russ thanked Atochem and Rohm and Haas for hosting the Board at dinner the evening of September 12.

II. APPROVAL OF MINUTES OF EXECUTIVE BOARD MEETING OF MAY 29, 1991

Mr. Schiffer moved that the minutes of the Executive Board meeting of May 29, 1991 as included under Tab A of the briefing book for this meeting be approved as submitted. The motion was seconded by Mr. Koral and approved by voice vote.

current status of activity and summarized the work that still needs to be done to achieve the objectives. Mr. Krause noted that his presentation contained two specific proposals:

1. "Third Bale Proposal"

Mr. Krause noted that at the time of the Annual Meeting, discussions were held with Mr. Liesemer of the Council for Solid Waste Solutions regarding the appropriate timing of a joint industry program aimed at recycling of the "third bale", i.e., all other plastics containers not included in the typical plastic collection/recycling programs. As a result of subsequent discussions by the CSWS Executive Board, a meeting was held August 30 involving representatives of companies representing identified polymer interests.

Mr. Krause summarized the discussions at this meeting and noted that the action step agreed to was the formation of a task force to establish a business plan to move this concept forward. This task force consists of Robert Elcik/OxyChem, Guy Cain/Himont, Don Genson/Dow and Jim McClellan/Amoco. The next meeting is tentatively scheduled for October 10. Mr. Krause commented that absent the completion of such a business plan, it is difficult to estimate costs, but it could be in the range of \$1-4 million. Vinyl's share would be approximately one-third of the total.

He stated that VIGOR was seeking approval from the Board to continue these discussions recognizing that there are potential significant financial obligations. During the discussion period that followed Mr. Krause's presentation, Mr. Koral asked legal counsel to explain the antitrust implications related to different types of joint company activities. Mr. de la Cruz summarized briefly the antitrust considerations related to different types of joint company initiatives. Mr. Schiffer asked Mr. de la Cruz to provide the Board with written guidance relative to the antitrust implications of a joint industry initiative.

Mr. Schiffer, noting that the Board had previously discussed the concept at its February 27, 1991 meeting, stated that from his perspective the Board should reconfirm its prior agreement that (a) the vinyl industry believes that programs aimed at the recycling of vinyl packaging are important ones to

the industry not only because of the impact on packaging, but also because of their relationship to other vinyl end markets; (b) action in this area is more effective as a group than as individual companies. Mr. Schiffer noted that if the Board reaffirmed its prior position, then the decision was limited to reaching agreement on the most appropriate action to take to implement this goal. Dr. Gottesman commented that VIGOR is seeking Board approval to move forward in its discussions with other elements of the plastic recycling facility to handle the "third bale".

Motion:

Mr. Patient moved that VIGOR be authorized to pursue the discussions as described by Mr. Krause.

The motion was seconded by Mr. Bailey and approved without objection.

2. **Proposal to Site an Automated Sortation Unit**

Mr. Krause reviewed the status of activity in several localities considered political "hot spots". Mr. Krause summarized in detail activities in Florida related to workshops being held to assess the implementation of the state's 1988 Solid Waste Management Law, of which the Board had been previously apprised. Mr. Krause noted that in the last few weeks representatives of BFGoodrich and Occidental had met separately with Senator Kirkpatrick, who is chairing these hearings.

As a result of these discussions, Mr. Krause stated that VIGOR is strongly recommending that to protect the market for vinyl packaging in Florida that an automated sortation unit be sited in the state. Based on preliminary discussions, it appears that there are two potential sites. He further noted that Dr. Carroll of OxyChem and representatives of the Council for Solid Waste Solutions had held meetings September 12 to explore the state of Florida's interest in being a partner in establishing a program. Additionally, Mr. Krause noted that VIGOR believes that there is a window of opportunity to move forward in Florida of perhaps 60-90 days. Dr. Gottesman summarized his discussions with National Recovery Technologies, Inc. (NRT) to preliminarily determine the range of financial arrangements that might be explored to help minimize the financial impact on the

Institute. In response to a question from Mr. Lienhart, Mr. Krause summarized how automatic sortation units are being used in the marketplace to sort out vinyl and why it is important to support a program aimed at identifying vinyl so that the vinyl can be recycled. Mr. Lienhart urged that whatever model or program was put together be one that could be replicated by others elsewhere.

Dr. Gottesman recommended that the Board give VIGOR the authority to pursue up to a set dollar amount a program aimed at siting an automated sortation unit at a Florida-based materials recovery facility and that they be directed to accomplish this in such a manner that costs be minimized to the maximum extent possible. Mr. Russ reminded the Board that the current Vinyl Institute budget does not include dollars for such an initiative.

Motion:

Mr. Schiffer moved that VIGOR be authorized to spend up to \$200,000 for the siting of an automated sortation unit at a Florida-based MRF and, further, that VIGOR be directed to arrange the program with incentives or mechanisms that would minimize expenditures to the maximum extent possible.

The motion was second by Mr. Koral and approved without objection.

B. Issues Management Activities

Mr. Burnett highlighted the status of several activities undertaken in the area of issues management including:

1. VERCE

Mr. Burnett reported that the Vinyl Environmental Resource Center (VERCE), which has been in operation for three months, is now receiving about 200+ calls a month. He noted the diversity of requests and the significant expansion of the database.

2. Industry Outreach

The "On the Firing Line" seminars have been scheduled for three locations between October 3 and November 12. Mr. Burnett reviewed current registration numbers and asked Board

members to encourage participation. He stated that current plans were for the third seminar to be videotaped which might be appropriate for internal use. He also commented that each of the seminars would have a recycler as luncheon speaker.

3. Recycler's Directory

Mr. Burnett noted that thousands of copies of the second edition of the Recycling Directory had been distributed and several additions have been identified for future updates. In response to a question from Mr. Lienhart, Mr. Burnett explained the CSWS project to identify communities recycling plastic and noted that this identification would provide additional sources for distribution of the directory.

4. Speakers' Bureau

Mr. Burnett reviewed the plan by Edward Howard & Co. to give broader exposure of vinyl industry interests by actively placing industry spokespersons on the programs for meetings and conferences of various interest groups and organizations. He noted that to date only six individuals have been identified.

Mr. Lienhart suggested that one way to multiply the effectiveness of this program would be to assure that the one hundred executives who are involved in the Chlorine Institute's outreach program are educated on the issues related to vinyl plastic so that they can appropriately represent the interests.

5. Other

Mr. Burnett stated that a briefing on vinyl packaging and recycling issues was planned before a major retailer next week, with future briefings planned. He also noted that EnVIronmental Briefs now has a distribution list of over 15,000. Mr. Burnett stated that collateral materials are being developed, including a small wallet size card that will be distributed in conjunction with the industry training seminars and through other channels.

VI. PRO-ACTIVE TASK FORCE REPORTS AND RELATED ITEMS

Mr. Russ noted that background information on the activities of the Pipe Resource Organization, Electrical Materials Council and the Vinyl Packaging Council are included in the briefing book under Tabs F, G, and H respectively. Mr. Russ asked for questions on information included in these reports or related topics. There were no questions.

VII. EUROPEAN UPDATE

In Mr. York's absence, Mr. Burnett provided a summary of significant developments that have occurred throughout Europe since the Annual Meeting. This information is summarized on the chart attached to the minutes of this meeting. Additionally, Dr. Gottesman noted that Mr. Rolf Buehl of the European Vinyls Corporation had completed a country-by-country report of activity through the end of July, 1991 which had been distributed previously to members of the Board.

VIII. CALIFORNIA ENVIRONMENTAL IMPACT REPORT (EIR) STATUS REPORT

As background information, Dr. Gottesman noted that as the Board is aware, the contractor of the study, SRI International, filed a report in December 1990. In the filing of this report, SRI notified the state that the report was 90 percent complete, but that no funds were available for the remainder of the work.

In February 1991, the State Department of Housing and Community Development asked the State Attorney General's office to review the document for completion against the State's contract. Dr. Gottesman noted that the review by the Attorney General's office has been completed and that the document was found to be incomplete in that it did not respond to all of the past-hearing comments.

Dr. Gottesman noted that Mr. Freeman, Vice President for Government Affairs of SPI and representatives of Keller & Heckman met on September 12 with the Deputy Director of the HCD. Mr. Freeman provided Dr. Gottesman with a summary report of that meeting. Mr. Freeman reported that the HCD is committed to having the report completed, which might lead to arbitration if the contractor is not responsive.

Dr. Gottesman noted that based on Mr. Freeman's report he is somewhat encouraged that the EIR may yet be finalized.

IX. TECHNICAL, LEGISLATIVE AND REGULATORY UPDATE

Mr. Russ noted that at this time it was appropriate for Board

members to ask for additional information or for discussion on items covered by reports of the following committees/areas: Technical, Health, Safety & Environment, General Counsel's Report, and Legislative Update.

Dr. Gottesman noted that one subject not covered in the reports that has received attention from the Vinyl Institute and separately from some companies is the subject of indoor air. He noted that at least two companies are participating in a project at the ASTM to determine appropriate testing methodologies for indoor air. In addition, comments had been provided by the Institute to the American Institute of Architects on the draft of their Environmental Resource Guide.

Mr. Lienhart noted that a new group has been formed, The Business Council on Indoor Air, to help coordinate business activity on this issue. He recommended that if there are items of interest to the vinyl industry, discussions be held with Dr. Paul Cammer who is staffing the BCIA.

X. OLD BUSINESS - CHLOR ALKALI FEDERATION LIAISON

Dr. Gottesman noted that background information is included under Tab N. On the subject of the Greenpeace Report "Chlorine - The Product is the Poison", Dr. Gottesman noted that a member of the Technical Committee is completing a line-by-line rebuttal of the report. He also advised the Board that a "First Citizens Conference on Dioxin" is to be held this fall immediately preceding the convening of the 11th Annual Dioxin Conference at the same North Carolina location.

Mr. Lienhart noted that Chlorine Institute is establishing a clearinghouse for information on the issue of dioxin and that a task force has been established to work with EPA on this. Mr. Lienhart also noted there are now 16 chlorine chemicals to be covered under the umbrella of the Chlorine Project of Greenpeace and the industry involvement in providing accurate information to encourage balanced press coverage. He also reviewed the status of plans for the International Joint Commission on the Great Lakes and noted that the Council on Great Lake Industry will be holding a workshop.

XI. NEW BUSINESS

A. International PVC Symposium

Dr. Gottesman stated that he had spoken with Dr. Freiesleben of the European Council of Vinyl Manufacturers and had been advised that at its most recent Steering Committee meeting the ECVI members suggested that rather than a free standing international symposium that the PVC issues be added to the third