

*Barnett, Matt, Congress*

The Society of the  
Plastics Industry, Inc.

# Washington Memo

1275 K Street, N.W.  
Suite 400  
Washington, DC 20005  
(202) 371-5200

Vol. X, No. 11  
November 27, 1989

## Senate Committee Reports Clean Air Legislation with CFC, Incinerator Provisions; Floor Action Planned in January

After more than eight hours of debate on pending legislation and over forty amendments, the Senate Environment and Public Works Committee on November 16 reported a package of bills, now labeled S.1630, to reauthorize and amend the Clean Air Act. The package consists of several bills and amendments dealing with toxic air emissions (S.816), ozone and carbon monoxide non-attainment areas and motor vehicle pollution (S.1630), acid rain (an unnumbered committee print), a ban on CFCs (committee discussion draft), stationary source permitting (portions of the President's proposal), and air emissions and ash from municipal waste incinerators (similar to S.196 which was introduced in the last session of Congress).

The Committee adopted an amendment offered by Sen. John Chafee (R-RI) that would ban CFCs by 2000 and mandate new recapture and recycling programs and other restrictions, including some on foam, for CFCs. The Chafee amendment also provides for the regulation of HCFCs, the CFC chemical

*continued on page 5*

### Congress Approves \$4.3 Billion CFC Tax Including Major Exception for Foam Insulation

As Congress rushed to adjournment late November 21, it approved a huge CFC excise tax with a major exception for rigid foam insulation applications, aggressively lobbied for by SPI and affected companies. The base tax rate, approved as part of the deficit reduction legislation, is as follows: 1990 and 1991 - \$ 1.37 per pound; 1992 - \$ 1.67 per pound; 1993 and 1994 - \$ 2.65 per pound. The rates are not adjusted for future inflation. Rates in the early years are higher than those previously approved by the House or Senate because conferees determined that additional revenues were needed in the early years. The previously approved rigid foam insulation exception remained intact.

CFCs used for rigid foam insulation are completely exempt from the tax in 1990, and during years 1991-1993 are subject to only approximately 25 cents per pound tax. As currently structured, CFCs used for rigid foam insulation will be subject to the full tax during 1994 and

*continued on page 6*

*Washington Memo* is published by The Society of the Plastics Industry's Federal Government Affairs Department. For more information about any item contained in this newsletter, contact SPI's Federal Government Affairs staff at (202) 371-5281

BOR 007319