

EXECUTIVE BOARD

The Doubletree at Lincoln Center
5410 LBJ Freeway
Dallas, Texas 75240

Wednesday
December 9, 1992
8:00a - 12 Noon

Attendees:

Raymond Azrak, Union Carbide Corporation
Michael Barish, Borden Chemicals and Plastics
Robert Burnett, Vinyl Institute
Peter de la Cruz, Keller and Heckman
Bruce Duerringer, Kaneka Texas Corporation
H. Richard Flammer, Vista Chemical Company
Roy T. Gottesman, Chemical Management Resources
Monte Kaneko, Mitsubishi Kasei
Fred Krause, BFGoodrich Company
leonard Krauskopf, Exxon Chemical Company
Michael Machado, Companhia Petroquimica Camacari
Robert Margevich, Akzo Chemicals Inc.
Dave Meeker, Edward Howard and Company
Marcos Gomes De Melo, Companhia Petroquimica Camacari
William Patient, BFGoodrich Company
William Reading, ITC (guest)
John L. Russ, Borden Chemicals and Plastics, CHAIRMAN
Meredith Scheck, Vinyl Institute
Edwin Schiffer, Georgia Gulf Corporation
Mark Schneider, Vista Chemical Company
Ervin E. Schroeder, Shintech Inc.
Nelson Stefany, Rohm and Haas Company
Sanford, Stromberg, Elf Atochem, N.A.

I. OPENING OF MEETING AND SELF-INTRODUCTIONS

Mr. Russ convened the meeting at 8:00 a.m. with a round of self-introductions. He officially welcomed representatives of CPC to the meeting and noted the Board's intention to approve their application for membership. Following brief introductions by Mr. Reading of ITC, Mr. Marcos Gomes De Melo briefly described his company's size, locations, and general business.

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II. REPORT OF DECEMBER 8TH EXECUTIVE COMMITTEE MEETING

Mr. Russ noted that most of the items discussed during the Executive Committee meeting of December 8th will be covered during the course of the full Executive Board meeting. He noted that a substantial amount of discussion had taken place regarding the future direction of the Vinyl Institute, particularly the financial support given to the pro-active market-oriented programs. Mr. Russ noted that the Executive Committee felt that it was an appropriate time to revisit the issue of the structure and focus of the Institute and that it has asked the following Board members to serve as a special task force to discuss the issue and to make appropriate recommendations for further consideration at the next meeting - Schiffer, Bailey, Patient, Flammer and Russ. He noted that there will be contact with other Board members between January 1 and the March Executive Board meeting.

He noted that part of this discussion will be a discussion of the appropriate use of Institute resources for issues, market-specific programs and outside associations.

III. APPROVAL OF MINUTES OF SEPTEMBER 2, 1992 EXECUTIVE BOARD MEETING

Mr. Schiffer moved that the minutes of the Executive Board meeting of September 2, 1992 as included under Tab A of the briefing book be approved. The motion was seconded by Mr. Patient and approved without objection.

IV. FINANCIAL REPORT

A. Status of Current Expenditures

A cash basis statement for the period ending October 31, 1992, the first five months of the fiscal year, was reviewed by Mr. Burnett on behalf of the VI Treasurer. Mr. Burnett noted that the updated report to that included under Tab B of the briefing book will be attached to the minutes of the meeting.

B. Current Fiscal Year Budget Projection

Mr. Burnett reviewed the current full fiscal year projection for the period June 1, 1992 - May 31, 1992 which is attached to the minutes of this meeting. He noted that revenue was somewhat higher than projected due to new memberships. He further commented that with plans for a \$50,000 contingency, it is anticipated that the full year projection of expenses will be \$5,000 under budgeted amount.

Mr. Burnett noted that a significant amount of chlorine-related activity undertaken by the Institute, which was unbudgeted for as a specific line item, is occurring. Mr. Patient noted that a significant amount of resources are being used by non-governmental organizations to fund this anti-PVC initiative and that the Board may need to re-examine its financial commitment to this activity.

V. ISSUES MANAGEMENT

A. Chlorine Issues

1. Chlor-Alkali Symposium

On behalf of Mr. Lienhart, Mr. Burnett reported on discussions held in Monaco relative to vinyl at the conclusion of the Chlor-Alkali symposium. He noted that as a follow-up to these discussions a world-wide strategy session to discuss the activities of environmental organizations related to chlorine and chlorine-related industries was held on November 30th and December 1st in Washington.

Mr. Burnett reviewed the meeting in detail and noted that an action plan developed at the meeting included recommendations for enhanced communications activities and the possibility of expanded technical initiatives/research, particularly in the medical area.

Mr. Burnett noted that it was agreed that this group would next meet in February in Brussels. Mr. Flammer requested that the action items from the November 30-December 1 meeting be attached to the minutes of this Executive Board meeting.

2. Chlorine Institute Liaison

Mr. Burnett reported that the final drafts of the CanTox project are anticipated to be signed off on December 22nd, with a final scientific peer review to follow. He noted the \$50,000 contribution made by the Vinyl Institute to the project and stated that the final documents will contain a unit devoted to PVC.

3. Chlorine Coordinating Council

Mr. Patient noted the discussions held by the members of the Chlorine Coordinating Council and commented that a focus of the group is to assure that company dollars being spent by trade groups

are not duplicative. He further commented that he believes it is worthwhile for senior level company management to be involved in the discussion and decision-making on chlorine-related issues at this time.

Mr. Patient also commented that he is planning to address the Coordinating Council of the American Plastics Council, so that they are fully apprised of the attacks on chlorine by the environmental community and the effect on the vinyl industry. Mr. Patient urged others who are also members of the APC to make certain that their APC representatives are kept apprised of the issue and its impact on the broad plastics industry.

B. Tripartite Conference

Mr. Burnett noted that there has not been much progress since the Tripartite meeting in September 1992 toward the agreed upon action items. He commented that on two different occasions he has been advised by the Japan PVC Association that they are still examining the final conference documents and action register. Mr. Burnett further noted that Mr. Freiesleben of the European Council of Vinyl Manufacturers has recently told him that the Europeans believe that it would take approximately six months to prepare for the suggested follow-up conference. Therefore, as a result of the discussions with Mr. Freiesleben, a one-day add-on to the Brussels meeting is being planned to focus on the vinyl-specific interests. Mr. Russ noted that he would like to see representation of the VI Executive Board at the meeting in Brussels.

In response to a question from Mr. Flammer regarding assigned areas discussed at the Tripartite meeting, Mr. Burnett noted that the Europeans had taken responsibility for the issues related to "technical infrastructure", the Japanese, "deselection" and the Vinyl Institute and its members' "Issues Management". Mr. Burnett noted that at the end of the month, the first U.S. report will be distributed and will continue on a monthly basis thereafter.

C. Solid Waste

1. Implementation of Recycling Initiatives

Mr. Krause, Chairman of the Vinyl Institute Group on Recycling (VIGOR), updated the Board on a variety of topics as follows:

Background material is included under Tab E of the briefing book.

- North American Recycling

This American Plastics Council autosort demonstration program at North American Recycling at Fort Edward, New York is using AIC technology. Mr. Krause noted that there have been problems in both singulation and in achieving the needed contaminant levels. He noted that APC is optimistic that it will become commercially viable.

- MSS

The MSS technology is to be reinstalled at Eaglebrook, with a material flow of 5,000 pounds/hour.

- Waste Alternatives

The technology at Florida Waste Alternatives is operational, with a formal dedication slated for January 21.

- Envirothene

Mr. Burnett reported that he is slated to visit with the principal at Envirothene to work out contract details during the next several days.

- Sortco/Canada

The SPI Canada Board has now appointed a group to re-examine the funding of this program, with the principal issue being assurance that there is full participation in the discussions.

- Clearvue

The line is now up and running, with the financial contribution being used to support a second line which uses an NRT sortation device. He noted that both Oxychem and BFGoodrich staff have visited the facility and have contributed to through-put improvements.

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- **Sears/Blisterpack Recycle**

Mr. Krause commented that the test runs have not been successful with the size and type of materials provided and that the NRT device did not yield material separation. The group is now in the process of evaluating alternatives.

- **Melt Filtration**

The equipment is now being modified with the goal of having in operation during January.

- **New Technology**

Mr. Krause updated the Board on discussions with Henry Frankel regarding new technology and commented that Dr. Gottesman, who has signed a secrecy agreement, is providing liaison.

2. Durables

Mr. Krause reviewed the portion of the American Plastics Council organization chart devoted to Product Stewardship and highlighted the participation of VI staff, consultants, and member-company personnel in its programs. (See attached). In response to a question from Mr. Schiffer regarding the adequacy of vinyl industry interests in these activities, Mr. Krause commented that he believes the industry is "reasonably well covered". On the VIGOR specific durables initiatives, Mr. Krause noted the following updates:

- **Pipe:**

The project is moving ahead with the material ground by Klockner and a pipe producer having been sent to PW Pipe for extrusion. An application for the material is now being sought.

- **Auto:**

Mr. Krause noted that the Japanese producers are all reviewing selection/deselection while in the United States the "Big 3" are focusing on reducing the number of resins used. Mr. Krause commented that discussions are planned with the design committee of the "Big 3" to discuss vinyl specific issues.

- **Support of Recycling:**

In response to a suggestion from a vinyl

recycler, VIGOR has sent out a request for proposals to recyclers looking for assistance for new applications only.

- **Buy Recycled:**

Mr. Krause encouraged industry to use where appropriate, the recycled products directory being compiled by the Institute.

D. Outreach/Communications

1. General

Mr. Burnett noted that Communications Committee Chairman Mike Reynolds requested that a follow-up to his memo contained under Tab F of the briefing book for this meeting it would be helpful to have the contact information for the individual responsible for communications at each of the member companies. This person would then receive all appropriate communications and outreach materials so that they would be fully apprised of industry programs, initiatives, and resources. These contacts would be used on issues as appropriate.

Mr. Meeker reviewed the December 4-6 Greenpeace sponsored meeting in Michigan. The key points made at the meeting and suggested appropriate action items are included in a December 9 memorandum to the Executive Board (distributed at the meeting and attached to the minutes).

The Board discussed the attacks on vinyl. Mr. Azrak suggested that additional thought be given to activities to stem material deselection based on erroneous information. Mr. Patient noted activities to educate employees. In response to a question from Mr. Schiffer regarding direct communication with adversaries, Dr. Gottesman reviewed previous contacts in Europe. Mr. Russ suggested that the task force examining the structure and focus of the Vinyl Institute discuss additional activities that might be undertaken.

2. Partners Program

Mr. Meeker highlighted the status of the Partners Program and noted that the plans call for the linkage of partners in 120 metropolitan areas. This program is to become operational in the first quarter of the calendar year.

VI. LEGISLATIVE, REGULATORY AND TECHNICAL UPDATE

In addition to the background material included in the briefing book under Tabs H (Technical Committee), G (Legislative), I (Health, Safety and Environment), the following updates were provided:

A. Legislative Update

Mrs. Scheck noted that the Suffolk County Legislature has scheduled a hearing tentatively for December 15 on a proposal to repeal the Suffolk County plastics ban. She noted that she will attend the hearing at which Steve Rosario of the American Plastics Council is likely to testify. Mrs. Scheck further commented on the composition of the House of Representatives of the 103rd Congress.

VII. GENERAL COUNSEL'S REPORT

Mr. de la Cruz updated the group on the regulatory issues related to carbon tetrachloride as detailed in the material included under Tabs I and J as well as on the transportation related activities detailed under Tab J. Counsel noted that at the present time Keller and Heckman is representing the Association of Post-Consumer Recyclers.

VIII. PRO-ACTIVE TASK FORCE REPORTS AND RELATED ITEMS

Background reports on the activities of the pro-active task forces are included under Tabs K (Electrical Materials Council), L (Vinyl Packaging Council) and M (Pipe Resource Organization).

Mr. Burnett noted that Mr. Barish, Chairman of the Pipe Resource Organization had been invited to the Board meeting to make a brief presentation on the current range of activities undertaken by the task force.

Mr. Barish highlighted the mission of the group, its research activities, the publicity/advertising/direct mail program, code-related activities and interface with other pipe groups (including the Uni-Bell PVC Pipe Association and the Plastics Pipe and Fittings Association).

IX. CALIFORNIA EIR STATUS REPORT

In addition to the background materials provided under Tab N of the briefing book, Dr. Gottesman gave a detailed report on discussions held December 2, 1992 involving representatives of the State of California Department of Housing and Community Development, SRI International, and SPI. As copy of the

overheads used by Dr. Gottesman is attached to the minutes of the meeting.

At the conclusion of Dr. Gottesman's report and a brief discussion period, Mr. Patient moved that \$15,000-20,000 of Vinyl Institute funds be contributed to the effort aimed at the preparation of a final Environmental Impact Report. The motion was seconded by Mr. Flammer and approved without objection.

X. EUROPEAN UPDATE

Mr. Burnett noted that he was reporting on this topic as follow-up to his recent trip to Europe and communications with VI contacts.

Mr. Flammer moved that the Board officially recognize the contributions made by Willem Prinselaar during his tenure as the Board-level representative from the European Vinyls Corporation. The motion was seconded by Mr. Patient and approved unanimously. Mr. Russ noted that a suitable presentation is to be made.

Germany - Mr. Burnett reviewed pending legislation in Germany that would exclude certain materials from either incinerators or landfills. While PVC had been in the original proposal, the language has been stricken; however, the legislation is still pending. Mr. Burnett also commented on a proposal from industry to establish a program similar to the "Green Dot" program for vinyl, with funding from an advanced disposal fee type program; however, there is not consensus within the industry on the proposal.

Belgium - Mr. Burnett stated that consideration is being given in Belgium to the establishment of a \$0.07 per pound "eco-tax" being placed on all one-way containers, with the funds going to a general fund.

Austria - The case dealing with the anti-PVC billboards is now before the civil court, with a hearing scheduled for January.

XI. OLD BUSINESS

There was no old business discussed.

XII. NEW BUSINESS

A. Uni-Bell PVC Pipe Association

Mr. Bailey noted that he had communicated directly with several of the VI Executive Board members as follow up to discussions with Robert Walker, Executive Director of the

Uni-Bell PVC Pipe Association. Mr. Bailey noted that Mr. Walker had discussed the funding requirements of his association directly with several members of the VI Board. Mr. Bailey stated that he would like to find a way to financially support the funding request of Uni-Bell, as he believes it is an effective single-purpose trade association.

Mr. Bailey raised the question as to the appropriateness of VI budget dollars supporting pro-active market specific programs (VPC, EMC and PRO). He stated that from his perspective there are two mechanisms that could be used to funnel finances to Uni-Bell: a) take additional Institute dollars committed to PRO and redirect them, (b) terminate the pro-active programs and related budget commitments to the Institute and let individual companies make their own decision as to which market specific groups they may wish to individually support.

During Board discussion on the issue, Mr. Schiffer noted that he is in support of Uni-Bell's goals and that he believes the question for the VI is what is the appropriate vehicle to assist. Mr. Flammer suggested that consideration might be given to funding market specific activities such as the expanded Uni-Bell program through a "challenge match" grant program.

Mr. Patient suggested that he believes that the Board should re-examine their decision to establish pro-active marketing committees. His preference he noted would be to overall reduce VI assessments by the amount of the marketing programs and allow companies to do as they wish.

Mr. Russ noted that he had stated that he was appointing a task force of Board members to further discuss the issue and to make a recommendation back to the full Board as to the appropriate path to follow. Mr. Schiffer urged that this be done on an expedited basis as he believes that individuals owe a response to Uni-Bell and that the recommendation and decision by the full Board might affect company decisions.

XIII. MEMBERSHIP AND ADMINISTRATIVE ITEMS

A. Annual Meeting Recommendation

In the absence of Ms. Benkner, Mr. Burnett distributed a December 4 memo to the Board detailing possible sites for the location of the VI's 1993 Annual Meeting. Mr. Patient recommended that based on past experience, the Board follow Ms. Benkner's recommendation. Therefore, the

meeting will be on May 24-26 at the Omni in Charleston, South Carolina. Mr. Burnett noted that in the next two months the structure of the meeting will be discussed. The general theme of the meeting as recommended by Mr. Burnett - "PVC A Worldwide Business") was approved.

B. Consideration of CPC Application

Mr. Schiffer moved that the membership application of Companhia Petroquimica Camacari as included under Tab O of the briefing book for this meeting be approved. The motion was seconded by Mr. Flammer and approved without objection.

C. Other

Mr. Burnett commented that at this time he is not pursuing any potential members.

XIV. ADJOURNMENT/NEXT MEETING

There being no other business, the meeting was adjourned at 1:00 p.m. The next meeting is scheduled for March 11th in New Orleans with a Board dinner planned for the evening of March 10th.

Respectfully submitted,



Meredith N. Scheck
Assistant Director

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