

Andy kawczak

From: "Timothy J. Kosto II" <timk@4taconic.com>
To: <andyr@4taconic.com>; <jimo@4taconic.com>; <tomm@4taconic.com>; <andyk@4taconic.com>
Sent: Wednesday, November 05, 2003 9:55 AM
Attach: FPG Guidelines 10-31-03.pdf, PAG 10-31-03 minutes.doc
Subject: FPG Meeting....

Last Friday, another meeting of the Processors Advisory Group was held in Philadelphia. The name of the group has been changed to the Fluoropolymers Processors Group, as of that meeting. In the future, all correspondence related to the organization will reference the new name or FPG for short.

Attached to this email are the meeting minutes from Philadelphia and a set of Operating Guidelines for the group that were approved last Friday. The most significant change with respect to our own position is that membership in the FPG will require membership in the SPI. Jim has the information on the cost to join the SPI. We discussed concerns about the Processors Mass Balance program sponsored by the FMG about which Tom has received several calls from Keller and Heckman (They are the SPI legal counsel). The concerns that I raised at the meeting included the request for commitment to an unknown testing program, the potential publicity associated with participation and the lack of true confidentiality concerning any collected data.

The FMG mass balance program has received about 10% positive response from solicited companies and a 15% negative response. The remainder, which I assume includes ourselves have not committed to the program or rejected it outright. When the program is executed it will proceed according to the following plan:

Participating companies will first participate in a written survey about our processes associated with dispersion. Following that survey is a telephone survey conducted by Kauko Aunio who has been retained by Keller and Heckman as a consultant and Baar Engineering, the company that will perform sample collection at the facility. This discussion will require the participation of Taconic technical staff so that Baar can determine what sampling is appropriate for our facility. A second purpose of the conversation is to provide the necessary information so that the aggregate data from all participants can be assembled in a realistic, EPA palatable, though confidential report. When the survey portion of the effort is complete, a subset of the total participants will be selected for monitoring. There is no guarantee that Taconic's facility will ever be evaluated. The decision about where to sample is up to Kauko, Baar and Keller and Heckman. The Fluoropolymer manufacturers also have no input on where information is collected.

If Taconic is selected, Baar Engineering will show up to take the necessary samples and submit the samples to Exygen laboratories in State College, PA for analysis. As I currently understand the process, samples will be sent to Exygen using a code identifier so that Exygen will not know the identity

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of the company from which the sample was taken. The key to the code system will be maintained by Keller and Heckman. Keller and Heckman, with help from Kauko and Baar will assemble two reports, one public and one confidential. The EPA is the only party that will receive the confidential report (though even that report could be leaked). Before presenting any report to the EPA, Keller and Heckman will destroy the key for the laboratory codes so that the paper trail connecting a sample to a facility is in principle, destroyed. K&H will request the same effort by Baar and Kauko so that any private notes that might connect a particular sample to a particular party should also be destroyed. As these are scientists and engineers, they have inherent instincts to save paperwork.

At the meeting on Friday, the draft protocol was not provided, though several times, the FPG member requested the opportunity to review the draft. We are scheduled to have a conference call on Friday morning to discuss the draft though I have not yet received a copy. As soon as I receive the copy, I will review it and forward the draft so that we can discuss how to accomplish the appropriate testing. Please feel free to contact me with any questions about the meeting.

We also should provide the names of five other companies we would like to see invited to join the FPG.

This might include Rogers, Green, Alpha and Arlon. Please provide suggestions so that I can give a list to Allen Weidman.

Andy Russell: Do you want me to send this summary to Scott Fein? Thanks.

Yours,

Tim

Timothy J. Kosto II
Technical Manager

Taconic
P.O. Box 69
Petersburgh, NY 12138

(518) 658-3202 x. 296

www.4taconic.com

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Fluoropolymer Processors Advisory Group

Processors' Organizational Meeting

Ritz-Carlton
Philadelphia, PA

Friday, October 31, 2003
10:00 A.M. - 3:00 P.M.

Attendees

Rich Albert (Conference Call)
Tina Welcher (Conference Call)
Rick Hoeck
Tim Kosto
Les Roberts
Lisa Walton
Richard Baillie
Bob Trout
John Adams
Don Duncan
Bonnie Limbach
Allen Weidman
Lynne Harris
David Sarvadi

DuPont Finishes
DuPont Finishes
Saint-Gobain
Taconic
Toray TFA
W.L. Gore
W.L. Gore
Whitford Corporation
John Adams Associates
SPI
SPI
SPI
SPI
Keller & Heckman LLP

The discussions and actions taken at this meeting are reported in a manner to achieve continuity of thought and, therefore, may not appear in the precise order that occurred during the meeting.

- 1) Richard Baillie, Chairman, called the meeting to order at 10:18 A.M.
- 2) Self-introductions were followed with announcement of the fire exit locations and review of the SPI antitrust guidelines.
- 3) The proposed agenda was reviewed and approved with the addition of the following items:
 - a) Review minutes of September 30, 2003 meeting.
 - b) PAG to consider providing representatives to TWG and AWG.

- 4) Minutes of the September 30, 2003 meeting were reviewed and approved as submitted.
- 5) Discussion items.
 - a) PAG organizational issues
 - i) The previously reviewed draft guidelines were discussed and proposed revisions were considered and unanimously accepted. The approved guidelines are attached. The group will now be known as the Fluoropolymer Processors Group (FPG).
 - ii) The goals and objectives discussion was tabled until the next meeting.
 - iii) The Scope was previously approved: Special Program Group of the SPI.
 - iv) FPG Mission was previously approved: Discuss issues of common interest arising from PFOA content in fluoropolymer products or processes.
 - v) Membership criteria was previously approved:
 - (1) SPI Fluoropolymers Division member processors of APFO-containing dispersion resins or
 - (2) SPI Fluoropolymers Division member compounders of APFO-containing dispersion resins and
 - vi) The founding members recruitment commitment was acknowledged and renewed:
 - (1) Each meeting participant to submit names of five companies that should be active in the FPG.
 - (2) Don Duncan had sent a recruitment letter to FPG prospects and members asking for their participation.
 - (3) The attendees renewed their recommendation a ten member FPG.
 - (4) Staff to send SPI membership kits to FPG non-SPI members along with assessment invoices.
 - b) EPA October 29, 2003 Plenary meeting summary
 - i) SPI summary was presented.
 - ii) Discussion followed with questions regarding potential for processor impact.
 - iii) Staff to send meeting notes to FPG members.
 - c) Dispersion Processors Material Balance (DPMB)
 - i) David Sarvadi, Keller and Heckman, presented a detailed look at the DPMB.
 - ii) Action items resulting from the discussion include the following:

- (1) DPMB invitation letter to be sent to FMG and FPG.
 - (2) DPMB participants "comfort" letter to be developed by SPI and sent to K&H list of candidates.
 - (3) DPMB protocol, telephone survey and QAPP to be sent to the FPG for input at the appropriate time.
- d) Monitoring decision tree proposal discussion
- i) The FMG members, Cardona, Rurak, Millet, Millet and Nakamura, joined the FPG meeting via conference call at 2:00 P.M. to discuss a proposal for a monitoring decision tree that can be applied to monitoring activities at APFO manufacturing, fluoropolymer manufacturing and fluoropolymer processing facilities.
 - ii) David Rurak presented the proposal.
 - iii) The FPG members acknowledged its potential value but requested input into developing the values to be used as cut off points.
 - iv) Although a detailed FPG response was not presented at this meeting, the FPG agreed to develop a respond for the FMG prior to the December EPA meeting.
 - v) As part of the discussion, the FPG members requested the FMG bring their business managers/sales representatives back into the FMG process to enhance the FMG's interaction with the FPG.
- e) FPG representatives on the FMG Technical and Analytical Working Groups.
- i) FPG members agreed to submit names to SPI staff for participation on both groups by Monday, November 3, 2003.
 - ii) It is anticipated that the FPG representation will consist of any FPG member company that wishes to participate.
 - iii) Conference call to discuss to be scheduled the week of November 3.
- 6) Action items:
- a) Distribute finalized and approved guidelines.
 - b) Solicit additional FPG participants.
 - c) Staff to send SPI membership kits and FPG invoices.
 - d) Staff to send EPA Plenary session meeting notes to FPG members.
 - e) DPMB invitation letter to be letter to be sent to FMG and FPG.

- f) DPMB participants "comfort" letter to be developed and distributed to DPMB list.
 - g) DPMB protocol, survey forma and QAPP to be sent to FPG.
 - h) Develop a FPG response and data input to FMG monitoring decision tree proposal before December EPA meeting.
 - i) FPG members to submit names for TWG and AWG participation by Monday, November 3, 2003.
 - j) Staff to set up a conference call the week of November 3 to discuss FPG/TWG/AWG participation.
 - i) November 7 and 14 at 10:00 A.M. EST
 - k) Set next meeting date of Monday, November 17 in Philadelphia, Wilmington or Washington.
- 7) Adjourn: The meeting was adjourned at 3:05 P.M.

Respectively submitted,



Allen C. Weidman

Executive Director

OPERATING GUIDELINES
For The
FLUOROPOLYMERS PROCESSORS GROUP
Of
THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

The Fluoropolymers Processors Group (FPG) of The Society of the Plastics Industry, Inc. (SPI) hereby establishes these Operating Guidelines to facilitate effective interaction among the participating SPI member companies and other groups within SPI, including the Fluoropolymers Manufacturers Group (FMG) and the Fluoropolymer Division (FPD). These guidelines clarify how this cooperative venture is expected to operate within the SPI under its By-Laws as a Program Committee.

1. Organization and Dissolution

Name and Purpose: This Group shall be known as the "Fluoropolymers Processors Group," within the SPI. The FPG's objectives are threefold:

- to support the SPI's broad-based efforts to ensure the continued manufacture and availability of fluoropolymers in the United States;
 - to advise the FMG of its position on issues linked to perfluorinated chemicals including PFOA and its salts (APFO or C8) prior to the FMG's discussions with the U.S. Environmental Protection Agency (EPA) and/or other regulatory agencies; and
- to discuss, formulate and implement actions that will advance the unique business interests of FPG's members.

Dissolution: Upon achieving its objectives, FPG will be dissolved unless its members determine that continued regulatory initiatives or other issues warrant its continuation. SPI's President may also, at his discretion, dissolve FPG or merge its functions with an existing SPI business unit. Upon dissolution of FPG, any FPG funds remaining shall be distributed to SPI's general operating fund.

2. Members

Membership in FPG shall be open to all members of SPI who are processors or compounders of fluoropolymers or fluoropolymers-based products. This definition of membership is for the purpose of establishing the Group and is subject to review and modification as various programs develop.

If a Member is believed to have ceased to qualify for membership in accordance with the provisions of these Operating Guidelines, the Member may be dropped from membership by a three-fourths vote of the Members of FPG present at an FPG meeting, provided that: (1) the Member has been notified of the meeting and the action being considered at least

sixty (60) days in advance thereof, (2) the Member has been given an opportunity to be heard prior to voting on the proposed expulsion, and (3) the action of FPG is approved by SPI's President or Executive Board with the advice of counsel.

3. Voting Representatives and Voting

Each company Member of FPG shall designate one, and only one, representative authorized to act on its behalf in all matters before FPG, submitting that name to the Chairman, and may designate an alternate authorized to act on behalf of the company Member in the event of the absence of the authorized representative. Each representative, or alternate, shall be entitled to one vote on all matters coming before FPG, provided the representative or alternate participates in a meeting by attending in person or by phone. No votes shall be cast by proxy. A company representative or designated alternate will be carried on the roster only so long as the company representative or designated alternate regularly attends meetings. On the failure to attend at least one meeting within a one-year period, the Member may be asked to replace the company representative from the roster.

4. Termination of Membership

Any Member may withdraw from FPG, provided written notice of such withdrawal is given to the Chairman not less than thirty (30) days prior to the effective date of such withdrawal and provided that no resignation shall become effective until the financial obligations of such Member, if any, are settled in full prior to the date of withdrawal. Any Member so withdrawing shall, by the act of withdrawal, cease to have any further interest in the funds, assets and activities of FPG, and shall not be entitled to any refunds of any type or in any amount. Any Member that sends a notice of resignation more than sixty (60) days after the beginning of the fiscal year shall be obligated for dues for the entire fiscal year. Applications for re-admittance shall be considered only after all outstanding obligations are fulfilled and upon approval of SPI's President and FPG.

Membership carries with it a presumption that the Member has a direct interest in the activities of FPG. Any Member who fails to meet the obligations of Members or who is in default in the payment of dues or other assessments for a period of ninety (90) days after such dues or assessments become payable may, in the absence of good cause found to exist by the Members of FPG or by SPI's President, be suspended from membership. Any Member so suspended shall, until reinstated, forfeit all rights and privileges of membership in FPG, provided, however, that suspension shall not relieve a Member from the requirement of fulfilling all obligations to FPG incurred before suspension. A suspended Member shall be reinstated to good standing upon payment in full of all dues, assessments and other amounts owing and payable at the time of suspension.

5. Officers

The officers of the FPG shall be a Chairman and a Vice Chairman. The President of the SPI shall appoint Officers, upon recommendation of a majority of FPG Members at an

FPG meeting, who shall serve at the President's discretion. The Chairman shall serve as the chief executive officer of FPG and shall preside at all meetings. In the absence of the Chairman, the Vice Chairman shall perform the Chairman's duties.

6. Meetings

Meetings of FPG shall be held as are necessary to support SPI's efforts with regard to EPA's potential regulation of the manufacture and processing of fluoropolymers and achieving other FPG objectives. Meetings may be scheduled at such time, places and dates as shall be determined by the Members in compliance with this section. Additional meetings or conference calls may be held at a Member's request. Member requests for such additional meetings or conference calls shall be forwarded to the Chairman for approval. Notice of the time and place of each meeting and a proposed agenda shall be provided by the SPI to all Members electronically or by regular U.S. Mail.

Member companies may send more than one representative to each meeting; ~~but~~ however, each Member shall have only one vote on issues placed before FPG. Except as otherwise provided in these Operating Guidelines, FPG shall act by a majority vote of the voting Members present in person or participating by phone. The presence in person, or participation by phone of at least a simple majority of the voting Members shall constitute a quorum for the transaction of business.

SPI Members who are not FPG Members may attend FPG meetings at the discretion of the Chairman or SPI's President. Nonmembers of FPG who are not SPI Members (i.e., guests) may attend meetings by invitation from the FPG Chairman or SPI's President. Attendees who are not members of FPG are not entitled to, and shall not, vote on matters presented to the Group.

Either SPI staff or SPI legal counsel must be present at all meetings of FPG. Their presence protects Members from potential antitrust and product liability issues through monitoring meeting remarks, and, if needed, directing that items be deleted from the agenda or that conversations be discontinued. Informal business meetings involving members outside the formal agenda and meeting structure are discouraged.

7. Activities

The Chairman and Vice Chairman, with the assistance of Members, shall develop and recommend policies, programs and projects for consideration by FPG that advance FPG's Members' interests before EPA and other regulatory agencies or otherwise contribute to achieving FPG's objectives. SPI staff shall oversee the details and execution of programs and projects that have been approved by FPG Members.

FPG will coordinate with, and assist, SPI and/or FMG in preparing information requested by EPA and in developing such data, studies and information as are necessary to achieve SPI's objectives in participating in the EPA process.

Each FPG Member may participate in a special project and shall be considered a Member in good standing in the special project so long as contributions to support the special project as approved by FPG are not outstanding more than 45 days after issuance of the invoice for participation in the special project.

The activities of the group will be conducted in accordance with these Operating Guidelines and SPI's By-Laws.

8. Limitations of Liability

Nothing in these Operating Guidelines shall constitute or construe Members of FPG as partners for any purpose. No Member, officer, agent or employee of FPG or SPI shall be liable for acts or failure to act on the part of any other Member, officer, agent or employee of FPG or SPI, nor shall any Member, officer, agent or employee of FPG or SPI be liable for his or her acts or failure to act under these Operating Guidelines, except for any act or omission to act arising out of his or her willful malfeasance.

9. Policy Statements and Communications

No Officer or Member, or SPI staff representative, shall make any statements purporting to be made on behalf of FPG, or take any action in any way binding on FPG, unless and until such statement or action has been approved by the President of SPI, upon recommendation of the Members of FPG. The President of SPI shall select authorized spokespersons, upon recommendation of FPG by majority vote of the Members of FPG. No Member shall represent that he or she is authorized to act on behalf of SPI except to the extent authorized by the SPI, and in accordance with SPI By-Laws and policies.

All statements, fact sheets, letters and other communication statements will be reviewed by SPI legal counsel prior to publication and are subject to review and approval by the Executive Board of SPI. Any recommendations contained in such statements should be clearly identified as voluntary in nature. All statements shall be made in accordance with SPI's policy guidelines. All such statements shall comply with *In the Matter of The Society of the Plastics Industry, et al., Consent Order, etc., in Regard to Alleged Violations of the Federal Trade Commission Act*, issued November 4, 1974, and incorporated herein by reference. Individual Members are free to act unilaterally in their own names.

10. Statistical Programs and Data Collection

Data in relation to programs shall be collected on a strictly confidential basis. Reporting will comply with applicable Federal and state laws, rules and regulations of administrative agencies and SPI By-Laws. Only composite data shall be distributed to Members of FPG.

11. Speeches and Presentations

SPI legal counsel must be apprised in advance of speeches and presentations to be made on behalf of FPG, and no such presentations shall be made except on the express written approval of the President of SPI. Legal counsel may review the prepared text of any speeches and presentations for their potential to raise questions of potential antitrust liability, such as those related to statistical reports, marketing and other areas that may give the appearance of antitrust impropriety.

12. Funding

Members of FPG shall establish a fund for the operation of FPG. Such fund shall be comprised of the monies provided through annual assessments, based upon the projected FPG budget and voted on and adopted by FPG at the meeting immediately preceding the start of the SPI fiscal year, June 1 ** [we're on a calendar year] **. Payment of FPG assessments shall be a prerequisite of continued membership in FPG and is due within 30 days of receipt of the assessment notice.

The FPG budget shall be submitted for approval to the President of SPI, upon approval by the voting Members of FPG. The budget will become effective upon approval of the President of SPI. Voting for budgets and expenditures shall be either in person or by mail, electronic mail, facsimile transmission or similar means provided that the share of the voting Members so committed shall total no less than 75 percent of the fund to be collected. No actions shall be taken until at least 50 percent of the committed funds are collected, except by special permission of the President of SPI.

Special projects shall be funded either from operating funds of FPG or through special assessments. All special assessments shall be approved by the Members of FPG in accordance with these Operating Guidelines and SPI By-Laws and amendments in effect at the time the project is approved.

13. Confidentiality

Members of FPG will occasionally discuss or disseminate, either orally or in writing, information that is of such a nature that it is not, at that time, a matter of public record or public knowledge. Each Member disclosing confidential information will communicate to the other Members receiving that information the confidential nature of the information, and the expectation that such information is not to be disclosed to non-FPG members. Such information is, for the purposes of this Article XIII, deemed confidential business information. Regardless of the means of communication used, such information may not be copied or forwarded to non-FPG members without prior consent from the Member disclosing the information to FPG, subject to laws regulating the disclosure of certain kinds of information, including but not limited to health and safety data under the Toxic Substances Control Act (TSCA). The Member claiming such confidentiality of such information shall bear the burden of supporting such claim in the event the claim is

challenged and shall hold SPI and other FPG members harmless in the event the claim is challenged in any way.

At any time that confidential information is discussed at any meeting of FPG Members, the Minutes of the meeting shall reflect that confidential information was discussed and shall state the nature of the confidential information, but shall not disclose the confidential information.

Members in FPG will share information and knowledge with SPI's legal counsel that is confidential and privileged with the expectation that the secrets, both individual and of FPG, will be protected by attorney-client privilege, the attorney work product doctrine and other such privileges and rules to the extent permitted by law.