



For Immediate Release

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VICS Association Determines No Modification to Floor-Ready Hanger Guidelines Required Despite K-Resin Shortage

Lawrenceville, NJ – The Voluntary Interindustry Commerce Standards Association (VICS) determined at a Floor-Ready Merchandise Committee Meeting on May 15, 2000 that there is no need to temporarily modify VICS' Voluntary Guidelines for Floor-Ready Merchandise hanger specifications. After inspecting hangers submitted by numerous hanger manufacturers, it was concluded that there are alternatives to the K-resin material which will fully comply with the hanger specifications detailed in the VICS Guidelines.

This meeting was held specifically to address the K-resin shortage due to a fire at the Phillips Chemical Plant in Houston on March 27, 2000. Prior to the fire, the Houston plant supplied a significant amount of the world supply of K-resin and it was feared at that time that the production of hangers which would comply with VICS' specifications would be severely curtailed.

Steve Shelby of Phillips Chemical Company reported that their Korean plant is still in operation producing K-resin, which is being allotted to the hanger manufacturers. The hanger manufacturers reported that with the Phillips allotments as well as alternate materials they are able to continue to produce VICS' compliant hangers in sufficient supply to fulfill the needs of their trading partners through July. As more companies adopt the VICS Guidelines going forward, capacity may be a problem, however that is unrelated to the Phillips situation. VICS will continue monthly discussions and continue to verify that the supply of material required to meet the VICS hanger specifications is available.

To avoid future concerns, VICS strongly encourages retailers and manufacturers to communicate with hanger manufacturers to understand what the alternatives are.

For free access to the VICS Voluntary Guidelines for Floor-Ready Merchandise, please visit the VICS website, www.VICS.org, or call 609-620-4562.

About the VICS Association:

The mission of VICS is to take a global leadership role in the ongoing improvement of the flow of product and information about the product throughout the entire supply chain in the retail industry. The organization's overall objective is to improve product availability to the consumer by providing leadership and encouragement in the identification, development, and implementation of voluntary standards, protocols, guidelines and other mechanisms which might be required to support their mission.