

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
3:00 p.m., Monday, November 19, 1973
Pinnacle Club (Rooms A, B & C), New York City

- I. Opening Remarks and Introduction of Guests
- II. Minutes of Meeting of October 9, 1973, Including Financial Statement for Four Months Ended September 30, 1973
- III. 23rd Semiannual Meeting
- IV. Chemical Industry Trade Advisor Policy Committee
- V. Business Items:
 - (a) Appointment of Alternate: Richard E. Heckert,
E. I. du Pont de Nemours & Company (for Edward R. Kane)
 - (b) Request for Allocation of \$5,500 under the Plastics Financial Package for Update Report on Solid Waste Treatment and Disposal (Attachment)
 - (c) Request for Plastics Financial Package Budget Amendment and Appropriation of \$83,300 for a Report on Plastics Combustibility Measurements and Interpretation (Attachment)
 - (d) Appointment of Committee Members (Attachment)
- VI. Report of Director of Government Relations
- VII. Report of Technical Director
- VIII. Reports of Committees:
 - (a) Economic Policy Review Committee
William S. Sneath, Chairman
 - (b) Public Relations Committee
J. R. Ryan, Chairman
 - (c) Solid Wastes Management Committee
Paul E. Reed, Chairman
- IX. Report of the President

Next Meeting of the Board of Directors - The Madison, Washington, D. C.,
Tuesday, January 8, 1973, at 10:00 a.m.

CMA 070236

MINUTES of the two hundred twenty-sixth meeting of the Board of Directors of the Manufacturing Chemists' Association, Inc., held at the Pinnacle Club, New York, N. Y., Monday, November 19, 1973, at 3:00 p.m.

Directors present:	Werner C. Brown, Chairman	
	Warren M. Anderson	
	Frederick L. Bissinger	Edward R. Kane
	Z. D. Bonner	Harry D. McNeeley
	Harry W. Buchanan	Harry T. Marks
	C. C. Candee	Robert L. Mitchell
	E. E. Chipman	Robert M. Morris
	Thomas C. Dabovich	Charles S. Munson
	William C. Douce	Joseph A. Neubauer
	William J. Driver	Donald D. Pascal
	James M. Gill	Peter C. Reilly
	John R. Hall	George W. Russell
	John M. Henske	Jack B. St. Clair
	William W. Huisking	Harold E. Thayer

Alternates:	James G. Affleck (for George W. Russell)
	Stanley H. Anonsen (for Harold E. Thayer)
	William H. Bricker (for James A. Hughes)
	Orell T. Collins (for Robert T. Powers)
	John T. Connor (for Frederick L. Bissinger)
	James C. E. Fuller (for James H. Gardner)
	Richard E. Heckert (for Edward R. Kane)
	Paul F. Hoffman (for Robert M. Morris)
	H. C. Hollands (for Lloyd G. Lillico)
	Leo H. Johnstone (for William C. Douce)
	Gordon Kiddoo (for Donald G. Stevens)
	James E. Magoffin (for Harry D. McNeeley)
	W. C. Roher (for Z. D. Bonner)
	William S. Sneath (for Warren M. Anderson)
	Raymond C. Tower (for Robert H. Malott)
	E. A. Von Doersten (for John R. Hall)
	Dickson L. Whitney (for C. C. Candee)
	Richard N. Williams (for John M. Henske)

General Counsel:	Lloyd Symington
Secretary-Treasurer:	George E. Best

By invitation:	Bruce M. Barackman, MCA
	D. T. Brophy, Rohm and Haas Company
	Marjorie V. Campbell, MCA
	Albert C. Clark, MCA

P. B. Dalton, GAF Corporation
 Lee V. Dauler, Neville Chemical Company
 Earle S. Ebers, UNIROYAL, Inc.
 Ralph K. Gottshall, ICI America Inc.
 H. E. Hirschland, M&T Chemicals Inc.,
 Subsidiary of American Can Company
 Leonard Hynes, Canadian Industries Limited
 Max A. Minnig, Borden Chemical Division of
 Borden, Inc.
 Victor H. Peterson, MCA
 L. Jack Polite, Jr., Essex Chemical Corporation
 Paul E. Reed, UNIROYAL Chemical, Division of
 UNIROYAL, Inc.
 Luther S. Roehm, Merck & Co., Inc.
 Jack R. Ryan, Olin Corporation
 Robert B. Semple, BASF Wyandotte Corporation
 Clifford D. Siverd, American Cyanamid Company
 Harry L. Slatin, MCA
 William M. Stover, MCA
 Jesse Werner, GAF Corporation
 David C. Williams, MCA
 Robert I. Wishnick, Witco Chemical Corporation
 John E. Wood III, Vulcan Materials Company

Chairman Brown opened the meeting by welcoming former Directors and special guests and calling for self-introduction of those present in turn.

I. MINUTES OF OCTOBER 9, 1973, MEETING

Minutes of the October 9th Board meeting, as distributed, which included the financial statement for the four months ended September 30, 1973, were duly approved.

II. REPORT OF THE SECRETARY-TREASURER

Exhibit A, attached hereto.

III. 23RD SEMI-ANNUAL MEETING (November 20, 1973)

Mr. Barackman, Assistant Secretary-Treasurer, reported anticipated attendance of 1,009, with representation from 133 member companies and 26 other organizations. He reminded the luncheon dais will be occupied by the officers and the luncheon speaker, Betty Furness, with tables in front of the dais reserved for Directors, Alternates, and panel participants. He mentioned replacement of the evening banquet with a three-hour reception and buffet beginning at 5:30 p.m.

IV. CHEMICAL INDUSTRY TRADE ADVISOR

Chairman Brown commented on Dr. Dawson's recovery and his having signed the agreement to serve as Chemical Industry Trade Advisor beginning November 15, 1973. Mr. Brown reported the following membership of the Policy Committee, which is to be chaired by Dr. Dawson:

Warren M. Anderson	Union Carbide Corporation
Frederick L. Bissinger	Allied Chemical Corporation
Harry W. Buchanan	Virginia Chemicals Inc.
James M. Gill	Ethyl Corporation
John L. Gillis	Monsanto Company
Robert D. Goodall	W. R. Grace & Co.
Richard E. Heckert	E. I. du Pont de Nemours & Company
John Ludden	American Cyanamid Company
Max A. Minnig	Borden Chemical Division of Borden, Inc.
Earl C. Ray	The Harshaw Chemical Company, Division of Kewanee Oil Company
Harold C. Whittemore, Jr.	Sun Chemical Corporation
James Williams	The Dow Chemical Company
Robert A. Winslow	Exxon Chemical Company U.S.A.

SOCMA has committed \$15,000 a year for three years; The Fertilizer Institute has declined to contribute financially; and no word regarding financial participation has yet been received from the Dry Color Manufacturers Association and The Society of the Plastics Industry. Mr. Brown estimated need from MCA on the order of \$100,000 in the Association's 1974-75 fiscal year.

Mr. Brown spoke also of progress under Assistant Advisor Foveaux in organizing task forces on particular product groups, and urged company support for such participation by company technical and legal representatives.

V. BUSINESS ITEMS

(a) Appointment of Alternate Chairman Brown invited approval of Dr. Heckert as Dr. Kane's designated Alternate, as listed in the tentative agenda distributed in advance.

ON MOTION, duly made and seconded,
it was,

VOTED: That Richard E. Heckert be
approved as the designated Alternate
for Edward R. Kane.

(b) Request for Allocation of \$5,500 under the Plastics Financial Package for Update Report on Solid Waste Treatment and Disposal Chairman Brown invited approval of the titled project and financial allocation therefor, favorably recommended by the Executive Committee, as described in an attachment to the tentative agenda distributed in advance.

ON MOTION, duly made and seconded,
it was,

VOTED: That the proposed project to prepare an update report on plastics in relation to solid waste treatment and disposal, funded by allocation of Plastics Financial Package funds in the amount of \$5,500, be approved. Exhibit B, attached hereto.

(c) Request for Plastics Financial Package Budget Amendment and Appropriation of \$83,300 for a Report on Plastics Combustibility Measurements and Interpretation Chairman Brown invited approval of the titled project and financial allocation therefor, favorably recommended by the Executive Committee, as described in an attachment to the tentative agenda distributed in advance. He emphasized the funds involved are not general funds of the Association, but are those derived from supplementary fees of MCA member companies voluntarily participating in the MCA Plastics Group.

ON MOTION, duly made and seconded,
it was,

VOTED: That the proposed project to prepare a report on plastics combustibility measurements and interpretation, funded by allocation of Plastics Financial Package funds in the amount of \$83,300 and involving amendment of the Plastics Financial Package budget to provide additionally for using \$48,300 from accumulated Plastics Financial Package surplus, be approved. Exhibit C, attached hereto.

(d) Appointment of Committee Members Chairman Brown invited approval of committee member appointments and the election of committee officers as detailed in advance with the tentative agenda.

ON MOTION, duly made and seconded,
it was,

VOTED: That committee members be appointed and elected committee officers be approved as named in Exhibit D, attached hereto.

VI. REPORT OF DIRECTOR OF GOVERNMENT RELATIONS

Mr. Stover's report is attached hereto as Exhibit E.

VII. REPORT OF TECHNICAL DIRECTOR

Mr. Clark's report is attached hereto as Exhibit F.

VIII. REPORTS OF COMMITTEES

Reports presented by the following committee chairmen are attached hereto as indicated:

Mr. William S. Sneath, Chairman	
Economic Policy Review Committee	Exhibit G
Mr. J. R. Ryan, Chairman	
Public Relations Committee	Exhibit H
Mr. Paul E. Reed, Chairman	
Solid Wastes Management Committee	Exhibit I

Two items of business evolved following Mr. Sneath's report, as follows:

(a) Economic Decontrols (Economic Stabilization Program)
Chairman Brown asked for opinions on the advisability of a visit by chemical industry executives with the Cost of Living Council, as a follow-up to the de-control recommendation submitted on October 25, to emphasize further the importance of discontinuing controls over the chemical industry, and the industrial unemployment potential inherent in dislocation of raw material supply for chemicals production. After discussion, it was unanimously agreed such a visitation should be attempted, within the next month, if possible.

(b) MCA Policy on Energy-Feedstock Supply Problem Chair-
man Brown commented on the spread of attitude among MCA member companies having interfered in the past with the Association's taking any public position on the energy-feedstock question, but suggested the current supply crisis might make it advisable to reconsider the matter and determine whether an acceptable position could be developed. It was readily agreed such an effort should be undertaken by the Economic Policy Review Committee to proceed as rapidly as possible, with the statement draft to be submitted for prompt consideration by the Executive Committee. Mr. Anderson drew attention to the past activities of the independent Petrochemical Energy Group and the Arthur D. Little report

underwritten by PEG as being worthy of study in this connection.

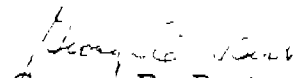
It was suggested that the Association's government and public relations staff prepare to make the most effective use of a statement on this subject.

IX. REPORT OF THE PRESIDENT

Mr. Driver's Staff Report is attached hereto as Exhibit J.

* * * * *

The meeting was adjourned with a cordial invitation by Mr. Connor to all to attend the Allied Chemical reception immediately to follow.


George E. Best
Secretary-Treasurer

Certified correct:

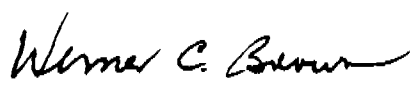

Werner C. Brown
Chairman of the Board

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER
November 19, 1973

Dollar amounts rounded from tabular details
 (\$000)

INCOME & EXPENSE

June 1, 1973 - October 31, 1973 - 5 months (41 2/3%)

		Percent of budget
Income - Membership Fees	\$1,767	100.113%
Other	<u>150</u>	58.824%
	\$1,917	94.901%
Expense - Operations	\$ 692	37.466%
Projects	<u>72</u>	25.352%
	\$ 764	35.851%

ASSETS

(As of October 31, 1973)

Cash	\$ 63	
Investments	2,904	
Miscellaneous	<u>2</u>	
	\$2,969	

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MANUFACTURING CHEMISTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION
October 31, 1973

BALANCE SHEET

<u>Assets</u>		
<u>Cash</u>		
National Savings & Trust - Commercial Account	\$ 55,203	
National Savings & Trust - Payroll Account	6,000	
Imprest Funds	1,800	
(Petty Cash, Chem. Forum Luncheon Fund & Postage)		\$ 63,003
<u>Investments</u>		
Bank Certificate of Deposit	\$ 140,000	
U. S. Government Securities	1,381,337	
U. S. Government Agency Securities	927,039	
Corporate Securities	455,300	2,903,676
<u>Deposits</u>		
U. S. Government Printing Office	\$ 200	
American Airlines	425	625
<u>Accounts Receivable</u>		
Travel Advances	\$ 1,239	
CITA	646	1,885
		<u>\$2,969,189</u>

Liabilities & Fund Balances

<u>Liabilities</u>		
D. C. Use Tax		\$ 44
<u>Reserve</u>		
Deferred Compensation		102,500
<u>Fund Balances</u>		
Restricted (Schedule I (e))	\$ 391,745	
Unrestricted - From Previous Fiscal Years	\$1,322,156	
- Current Fiscal Year	1,152,744	2,474,900
		<u>2,866,645</u>
		<u>\$2,969,189</u>

INCOME & EXPENSE

	To Date 5 Months	Budget For Year
<u>INCOME</u>		
Membership Dues & Entrance Fees	\$1,767,156	\$1,765,000
Income from Investments	58,936	120,000
Publication Sales	43,682	82,000
*(1) Meetings & Special Funds (Schedule I (d))	46,995	53,000
Miscellaneous	193	-
Total Income	<u>\$1,916,962</u>	<u>\$2,020,000</u>
<u>EXPENSE</u>		
Management	\$ 137,039	\$ 371,690
*(2) Technical - General	216,967	664,420
Technical - Chemtrec	55,406	158,490
Public Relations	181,292	442,050
Government Relations	77,233	235,270
Information Service	25,497	75,480
Office Administration	70,784	183,290
Total Expense *(3)	<u>\$ 764,218</u>	<u>\$2,130,690</u>
Income less Expense	<u>\$1,152,744</u>	<u>\$ (110,690)</u>

FOOTNOTES:

*(1) Net Income on Completed Projects

*(2) Budget increase approved by Board of Directors October 1973, for support of the Office of the Chemical Industry Trade Advisor (CITA) \$70,000

*(3) Total General Program Expense to Date -

Fiscal Year 1973-74 Budget Program Expense (above)	\$ 764,218
Expenditures from Project Funds carried over from previous Fiscal Year (Schedule I (c))	1,000
	<u>\$ 765,218</u>

CMA 070244

	Balance June 1, 1973 (a)	Current Fiscal Year			Balance October 31, 1973 (e)
		Receipts (b)	Expenditures (c)	Transfers To Income (d)	
<u>Carry-Over of Budgeted Funds</u>					
Information Service	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -
 <u>Non-Budgeted Funds & Meetings</u>					
Meetings, Workshops & Symposia	\$ 71,928	\$ 98,328	\$ 74,963	\$ 46,995	\$ 48,298
Tank Car Mileage Compensation	27,395	753	4,195	-	23,953
Epidemiological Investigation	4,797	-	2,122	-	2,675
Odor Threshold Determination Fund	-	1,200	800	-	400
Mercury in the Environment	3,632	(3,114)	518	-	-
Vinyl Chloride Research - Inhalation	62,852	-	42,250	-	20,602
Vinyl Chloride Research - Epidemiological	-	91,940	25,573	-	66,367
Phosgene Safety Research	34,095	3,500	16,818	-	20,777
Fluorocarbons Research	6,000	97,543	37,110	-	66,433
Phthalate Esters Research	16,000	1,000	-	-	17,000
Total - Non-Budgeted Funds & Meetings	\$226,699	\$291,150	\$204,349	\$ 46,995	\$266,505
 <u>Plastics Group Financial Package</u>					
	\$ 80,502	\$ 60,000	\$ 15,262	\$ -	\$125,240
	\$308,201	\$351,150	\$220,611	\$ 46,995	\$391,745

SCHEDULE II - EXPENSE
BUDGET PROGRAM

October 31, 1973

	MANAGEMENT		TECHNICAL				PUBLIC RELATIONS		GOV'T RELATIONS		INFO SERVICE		OFFICE ADMIN		TOTAL TO DATE	
			CHEMTRAC												5 MONTHS	
	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET
Employees (Actual Authorized	10	10	18	18	7	7	12	12	8	8	3	3	11	11	69	69
OPERATING EXPENSE																
Salaries & Related Expense	\$100,117	\$100,688	\$142,654	\$140,729	\$ 41,764	\$ 41,541	\$ 81,319	\$ 79,250	\$ 48,856	\$ 61,666	\$ 19,767	\$ 20,042	\$ 52,641	\$ 50,125	\$ 487,118	\$ 494,041
Retirement Plan	-	14,979	-	17,908	-	-	-	6,291	-	7,087	-	4,321	-	4,830	-	55,417
Hosp. Ins. & Health Plan	864	1,362	1,667	2,333	173	866	950	1,509	449	1,125	259	491	743	1,325	5,105	9,012
Legal Fees & Expense	11,270	11,041	538	4,167	-	-	-	-	6,163	6,250	-	-	-	-	17,971	21,457
Consultants&Investment Serv.	-	1,041	-	-	-	-	-	-	-	-	-	-	-	-	-	1,041
Audit	2,750	959	-	-	-	-	-	-	-	-	-	-	-	-	2,750	959
Rent & Premises Expense	4,669	4,754	9,204	9,396	2,660	2,713	7,876	8,009	4,558	4,637	2,869	2,913	6,777	6,891	38,613	39,313
Taxes & Insurance	2,015	3,287	4,379	5,929	2,076	10,221	2,783	3,962	1,935	2,642	843	984	3,410	3,625	17,441	30,650
Supplies & Gen. Office Exp.	2,757	2,084	8,192	5,708	1,062	1,334	3,879	3,584	2,667	2,708	265	291	3,006	3,437	21,828	19,147
Furniture & Equipment	520	416	508	583	62	416	-	312	-	209	-	288	126	2,575	1,216	4,800
Printing	2,328	1,000	-	-	-	-	3,363	1,396	417	292	42	-	1,009	416	7,159	3,104
Telephone & Telegraph	1,937	2,259	5,353	4,192	6,267	7,238	3,777	2,904	2,583	1,933	573	646	1,731	2,579	22,221	21,750
Postage	1,128	937	8,809	8,125	233	375	16,757	13,750	2,428	2,291	336	500	1,274	416	30,965	26,394
Travel & Entertainment	2,658	2,084	9,060	10,000	1,088	1,146	11,526	9,375	2,660	2,709	199	416	39	84	27,230	25,814
Meeting Expense	2,621	4,584	310	375	-	-	83	304	764	834	-	-	-	-	3,778	6,097
Periodicals, Books, etc.	183	166	619	625	21	146	630	625	3,613	3,125	344	542	3	34	5,413	5,263
Organizational Memberships	545	1,146	1,815	1,063	-	42	197	416	140	521	-	16	25	34	2,722	3,237
Contingency	677	2,084	-	-	-	-	-	-	-	-	-	-	-	-	677	2,084
Operating Expense Totals	\$137,039	\$154,871	\$193,108	\$211,133	\$ 55,406	\$ 66,038	\$133,140	\$131,687	\$ 77,233	\$ 98,029	\$ 25,497	\$ 31,450	\$ 70,784	\$ 76,371	\$ 692,207	\$ 769,580
PROJECTS																
Technical																
Air Quality			\$ 227	\$ 8,333											\$ 227	\$ 8,333
Water Resources			5,000	6,250											5,000	6,250
Multi-Committee Transportation			-	1,125											-	1,125
Multi-Committee Publications			8,632	20,833											8,632	20,833
* Trade Advisor			10,000	29,167											10,000	29,167
Public Relations																
Community Relations							\$ 3,828	\$ 5,417							3,828	5,417
Consumer Information							6,086	10,000							6,086	10,000
Environmental Quality							8,494	10,000							8,494	10,000
Internal Publications							14,958	9,167							14,958	9,167
Media Relations							1,268	2,500							1,268	2,500
Audio/Visual							-	1,250							-	1,250
Academic - Industry Study							1,505	833							1,505	833
College & High School Awards							3,225	5,416							3,225	5,416
Education Exhibits							1,038	1,667							1,038	1,667
Education Publications							7,750	6,250							7,750	6,250
Project Totals	\$ -	\$ -	\$ 23,859	\$ 65,708	\$ -	\$ -	\$ 48,152	\$ 52,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,011	\$ 118,208
COMBINED TOTALS	\$137,039	\$154,871	\$216,967	\$276,841	\$ 55,406	\$ 66,038	\$181,292	\$184,187	\$ 77,233	\$ 98,029	\$ 25,497	\$ 31,450	\$ 70,784	\$ 76,371	\$ 764,218	\$ 887,788

* Reflects budget increase approved by Board of Directors October 9, 1973, for support of the Office of the Chemical Industry Trade Advisor \$70,000

CMA 070246

Proposed Allocation
under the
Plastics Financial Package

The Plastics Committee with staff concurrence recommends appropriation of \$5,500 from the budgeted un-allocated reserve funds, remaining available in the Plastics Financial Package for the current year, to engage DeBell & Richardson, Inc. to conduct an update of information on plastics in relation to solid waste treatment and disposal, previously completed by D&R for publication by MCA:

"Solid Waste Management of Plastics" (1970)

"Plastics Waste Disposal Practices
in Landfill, Incineration, Pyrolysis
and Recycle" (1972)

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MCA

EC - 10/9/73

BD - 11/19/73

CMA 070247

Proposed Allocation
under the
Plastics Financial Package

During the past year, the Plastics Committee has recognized the desirability of compiling information from public and private sources on methods and data covering ease of ignition, flame spread, rate of heat release, smoke and/or toxic gases emissions in combustion of plastics. This work is essential to enable evaluation of critical areas to learn what further research should be conducted.

Accordingly, the Committee recommends a program of research, expected to be completed in one year, involving enumeration and evaluation of all present flammability test methods, thereby to provide the necessary basis for matching existing tests to specific end uses for developing improved tests where needed.

With staff concurrence, the Plastics Committee recommends appropriation of \$83,300 for the conduct of this research project by Stanford Research Institute. Funding would derive using the \$35,000 remaining balance in budgeted unallocated reserve plus \$48,300 from accumulated Plastics Financial Package surplus, leaving surplus remainder of approximately \$32,000. Use of the latter corresponds to amending the Plastics Financial Package budget for the current fiscal year, increasing it by that amount.

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MCA

EC - 10/9/73

BD - 11/19/73

COMMITTEE MEMBER APPOINTMENTS

Air Quality Committee

W. Bailey Barton, Borden, Inc. -- As Vice Chairman
Robert F. Curran, CIBA-GEIGY Corporation
Gerard W. Daigre, Dow Chemical U.S.A.
Anthony J. Diglio, Air Products and Chemicals Inc.

Economic Policy Review Committee

Milton C. Lauenstein, Ventron Corporation

Education Activities Committee

Theodore L. Heying, Olin Corporation

Engineering Advisory Committee

C. S. Hines, Union Carbide Corporation -- As Chairman
C. F. Wimbrow, The Dow Chemical Company -- As Vice Chairman
T. W. Booth, Tennessee Eastman Company
J. R. Laible, Chevron Chemical Company
R. E. Olsen, Exxon Chemical Company
D. W. H. Roth, Jr., Allied Chemical Corporation

Government Relations Committee

Charles O. Gerfen, Mallinckrodt Chemical Works
Jeremiah J. Kenney, Jr., Union Carbide Corporation
Walter D. Thomas, FMC Corporation

Industrial Relations Advisory Committee

D. B. Gross, Shell Oil Company
Wayne M. Hancock, The Dow Chemical Company
R. C. McConnell, Diamond Shamrock Chemical Company

Insurance Committee

R. E. Klingman, UNIROYAL, Inc.

International Trade Committee

David W. Moriarty, Pfizer Inc.
Francis E. Cook, Stauffer Chemical Company

Occupational Health Committee

William C. Janes, USS Chemicals Division, United States
Steel Corporation

Safety and Fire Protection Committee

N. K. Walters, E. I. du Pont de Nemours & Company

Solid Wastes Management Committee

P. A. Palmer, E. I. du Pont de Nemours & Company

Transportation and Distribution Committee

J. E. Carr, Nalco Chemical Company

Transportation Equipment Committee

J. P. Babinski, Allied Chemical Corporation

S. P. Dan, Hooker Chemical Corporation

C. B. Meltzer, Shell Chemical Company

Water Resources Committee

Robert N. Simonsen, The Standard Oil Company (Ohio)

MCA

BD-11/19/73

CMA 070250

REPORT BY DIRECTOR OF GOVERNMENT RELATIONS

William M. Stover

November 19, 1973

THE WASHINGTON CLIMATE: With the normal flow of legislative business dramatically altered, and time running out on the first session of the 93rd Congress, the mood on Capitol Hill is a somber one. In little over a month the Nation has undergone a series of shocks that has made it impossible for Congressional and Administration leaders to maintain predictable schedules. Timetables have been amended again and again. New assignments have been hastily undertaken and old priorities set aside. But such a marked re-ordering of the Government's business is not surprising considering the drama of recent weeks: the resignation of Vice President Agnew, the firing of Special Prosecutor Cox, the confirmation of a new Vice President, full-scale war in the Mid-East, and a major step-up in activities related to the energy crisis. Each of these presents distinct problems for the Congress and for much of the Executive Branch. Each brings new competition for time and attention.

* * *

THE TRADE BILL: Wilbur Mills is back, and has lost no time in making his presence felt in leadership deliberations over the fate of the pending trade bill. The powerful chairman of the House Ways and Means Committee returned to Washington last week and promptly issued a warning to President Nixon that continued delay of House action on trade could result in losing the bill entirely. This latest development in the on-again-off-again progress of the trade measure follows close on the heels of a Presidential request for an indefinite delay in House action.

Spurred by resentment toward restrictive Soviet Union emigration policies, the Ways and Means Committee cleared a bill sharply limiting MFN treatment to Communist countries. Trading concessions to the Soviet Union were made conditional upon future relaxation of emigration rules. With the outbreak of open hostilities between Arabs and Jews, anti-Soviet feeling shot upward. It became obvious that, if given the opportunity to vote, the House would support the limits to MFN treatment, and would approve an amendment denying the Russians

trade credits from the Export-Import Bank. Needing Soviet cooperation in Mid-East peace efforts, the Administration hinted for, and finally requested, an added delay in the trade bill debate.

With Chairman Mills now warning of growing opposition, it remains to be seen whether the measure will get through the House and reach the Senate by the end of 1973. Should the House act, the Finance Committee is ready to begin its hearings early next year and the Senate could conclude its work by March or April. Such progress would permit the launching of serious GATT negotiations by late 1974. It is reported that U. S. trade negotiators prefer to conclude this so-called "Tokyo Round" of the talks by the end of 1975 so as to avoid being at the bargaining table in election year 1976. But such a timetable may be too hopeful and delay of House action until next year could derail it entirely. The less optimistic believe that it will be well into 1976 before the round is concluded. It is in this overall context that the "act-soon-or-lose-the-bill" warning of the respected Mr. Mills gains in significance.

* * *

TAXATION: With the House in a ten day recess until November 26, the chances of any significant tax reform legislation this year are growing dim. During Congressman Mills' convalescence, acting Ways and Means Chairman Ullman began preliminary work on a limited reform measure aimed at closing certain tax "loopholes". However, in his first public statement since returning to Washington, Mr. Mills has expressed strong doubts that the House can accomplish anything significant in the few weeks remaining.

1974 is likely to be a different story, however. Tax reform will be the top priority item for the House Ways and Means Committee and deliberations will resume early in the year. Reformers are pressing for an end to a wide range of so-called abuses, including elimination of several types of deductions, exclusions, exemptions and other tax breaks for both individuals and corporations. On the other hand, Mr. Mills has indicated that he will favor new tax inducements to encourage expanded production in energy-related areas.

In the Senate, tax reform hearings would follow the trade bill on the Finance Committee calendar. It is therefore likely that the enactment of broad-scale reform could encounter considerable delay.

In the meantime, it is unlikely that the Senate will agree to tax riders on the Debt Ceiling Bill, despite the attempts of proponents, and even if the House should act quickly on a limited tax reform measure, the Finance Committee will probably not be able to take it up this year.

* * *

PRIVATE PENSIONS: The often-interrupted markup of a pension reform bill by the House Ways and Means Committee was expected to be completed by the start of the Thanksgiving recess, November 15. The ten day period will be used by staff members to complete drafting of language which reflects the preliminary decisions reached. The Committee will then review and make final decisions on the bill the last week in November. The principal complication at this point is a jurisdictional dispute with the House Education and Labor Committee which has reported its own version of a pension reform bill. The Rules Committee has deferred action on the Dent bill, H.R. 2, until December 4 in hopes that a compromise can be reached which would avoid a floor fight. Chairman Mills has indicated that he will not resume formal direction of the Ways and Means Committee until the Committee completes its work on the pension bill. Nevertheless, his return can only strengthen the hand of acting Chairman Ullman in any dialogue with the Labor Committee, in influencing a House rule, and in eventual floor debate. The House Democratic leadership is continuing to push for a completed pension bill this session. Present plans call for the bill to reach the House floor by the first full week in December, although Congressman Ullman would prefer a later date.

* * *

TOXIC SUBSTANCES: Here is another example of a key bill which has been delayed due to the sudden rearranging of Congressional priorities. In mid-September the bill was considered a good bet for prompt enactment. But it ran headlong into a flurry of unrelated crises which has diverted the attention of conference committee members. There has been no formal meeting of conferees in seven weeks. Staff members have exchanged several confidential proposals aimed at partial compromise but no significant progress is acknowledged.

The House conferees, led by Representatives Moss, Eckhardt, McCollister and Broyhill (N.C.) are holding fast to the concepts of their bill -- an approach which MCA strongly prefers. Senate conferees, with Senator Tunney having a leading role, have likewise assumed a firm stance. Several lengthy bargaining sessions would probably be required to hammer out an agreement and it is apparent that Members are unwilling to devote that much time to a toxic substances bill during the current period. Should the conferees be unable to conclude their deliberations in the remaining weeks of this session the matter would, of course, carry over into 1974.

In his November 12 address at MCA's Chemical Forum luncheon, Environmental Protection Agency chief Russell Train looked ahead toward the problems of administering a new toxic substances law. He attempted to assure our audience that EPA now believes that "selective use" is the key to controlling chemical compounds, be they pesticides or industrial chemicals. He said that EPA has moved away from the "all or nothing approach" and now recognizes that highly toxic materials, when carefully monitored, can be beneficial and necessary.

Touching on another sore spot, Mr. Train placed high priority on maintaining the strong level of research and innovation in the chemical industry. He said that EPA would do its best to avoid inhibiting through ill-advised regulatory action this beneficial R & D emphasis.

* * *

ASSISTANCE TO BOARD MEMBERS VISITING WASHINGTON, D. C.: In response to interest expressed at the October meeting of the MCA Board of Directors, the Government Relations Department is now available to assist Board members in arranging contacts with Members of Congress or Government officials during visits to Washington, D. C. It is anticipated that this service might be especially helpful to those companies who do not have a designated Washington representative.

The following are illustrative of the types of contacts with Washington-based officials which might be appropriate:

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- meetings, briefings or conferences to discuss specific legislative or regulatory interests;
- "get acquainted" visits to selected offices;
- attendance at a wide range of public gatherings, social events, etc.;
- social contacts of a private nature such as dinner, cocktails, a golf date, etc.

Where MCA staff assistance is desired, it is essential that maximum advance notice be provided, together with background information as to the type of contact and arrangements preferred. It is understood that expenses incurred would be defrayed by the individual or company making the request.

REPORT TO MCA BOARD OF DIRECTORS

A. C. CLARK, VICE PRESIDENT
and TECHNICAL DIRECTOR

November 19, 1973

Occupational Safety and Health Issues

With enactment of the Occupational Safety and Health Act, Congress provided for the development and promulgation of safety and health standards for the workplace. In establishing standards under the Act, the Department of Labor's Occupational Safety and Health Administration (OSHA) adopted certain widely accepted industry standards while others were determined on a somewhat less sound basis. Some standards are considered to be more stringent than necessary for safe and effective operation.

Also at the time of passing the Act, Congress gave proper concern for "due process". It required that the Administrative Procedures Act should apply in the development of the safety and health standards, namely, that affected parties be given advance notice and have an opportunity to be heard.

In three recent Appeals suits -- the first in New Orleans regarding a standard for pesticides, the second in Philadelphia regarding carcinogens, and the third in New York regarding a sanitation standard -- the courts decided the Department of Labor acted without giving sufficient documentary evidence justifying its actions. What effect these decisions will have on future safety and health standards remains to be seen but it is certain OSHA will now be reluctant to promulgate standards unless it has ample documentary support for any decision it makes.

Noise Standards

Most of the future standards covering industrial hygiene hazards are expected to be concerned with a single product or chemical. Noise is one of the few of general nature. The current OSHA standard of noise levels for the workplace is 90 decibels. It has been recommended that this standard be limited to 80 DBA. Over half of the industrial

workplaces have noise levels over 85. Noise levels of compressors, boilers, coolers (equipment common to chemical plants), range from 90 to 105 DBA. High noise levels cause ear damage, stress, fatigue, and greater possibility for accidents. While personnel protection devices may be provided, the effectiveness of those currently available is limited. More work needs to be done toward determining safe levels and toward lowering (through engineering design) general noise levels. Our position presently is one of favoring retention of the existing 90 DBA standard.

In a related effort, the Environmental Protection Agency, under the Noise Abatement Control Acts, 1970-1972, is considering standards for noise at the plant property line of 65 DBA for daytime and 55 DBA for nighttime. The costs involved in lowering the sound-noise level a few points are high. It is also extremely difficult, if not impossible, to lower the sound of some machines. These matters are being studied.

Conversion to the Metric System

Since England adopted the metric system, there has been considerable pressure for the United States to adopt it. Since 1970, the MCA position has been that while we see no need for conversion, since the chemical industry could continue to do business successfully at home and abroad without it, if other industries (such as construction and mechanical goods) need the metric system, we could not afford not to convert. It was estimated that the cost of conversion to the chemical industry would approximate \$1 billion, but a planned program would substantially reduce this amount. It is likely that legislation calling for voluntary conversion over a ten-year period without Federal subsidies to industry will pass this session of Congress. Because of our interest in an orderly plan, MCA will participate in the activities of the American National Metric Council (currently under the auspices of the American National Standards Institute), formed to plan and coordinate the conversion regardless of any legislation and assist in any studies that may be established by Congress.

Energy Conservation Measures

Of the measures proposed by President Nixon in his November 7 energy conservation message for immediate

implementation only two appear to have major implications for the industry beyond those of the energy shortage per se. These are the suspension and reversal of recent trends of fuel use from coal to petroleum and natural gas, and the proposal that the use of space heating fuel be curtailed by shortening hours of operation. Increased use of coal would make possible, but certainly would not ensure, a greater allocation of petroleum for feedstocks. But the conversion from oil to coal cannot be accomplished overnight. Among provisions included in pending emergency legislation, that authorizing the temporary suspension of certain environmental standards on a case-by-case basis obviously has direct interest to the industry. We welcome this recognition of governmental responsibility to protect "welfare" in a context broader than environmental esthetics.

Northeast Rail Crisis

Much publicity has been given recently to the plight of several of the Northeast railroads and, more particularly, to the problems that may be created through shutdown of the Penn Central. In the past year, several legislative proposals for remedying the situation have been introduced. MCA analyzed all these proposals and developed a position which was presented to both Houses of Congress. At the time, no one bill contained all the necessary elements to warrant MCA's support.

The Shoup bill, H.R. 9142, emerged from Congress as the dominant bill and passed in the House of Representatives on November 8. This bill was in agreement with most of MCA views. However, during the development of the bill, MCA objected to its overly generous labor protective provisions which guaranteed lifetime protection for any employee having five years' tenure, and protected certain specific jobs from being eliminated due to technological change. Our position did not prevail. Senate hearings were conducted November 15 and 16.

A measure of the chemical industry concern in the Northeast is indicated in the results of a survey of the Transportation and Distribution Committee members. The 31 responding member companies operate 247 plants or other major shipping-receiving locations served by the eight bankrupt railroads. These 247 locations generate over 295,000 carloads of inbound or outbound freight per year and employ over 67,000

workers. The responses also indicate that 83% of the shipping locations reported would either close entirely or suffer serious curtailment of production if there is a cessation of service on the roads involved.

EXHIBIT G

MCA Economic Policy Review Committee Report
to the Board of Directors
November 19, 1973
William S. Sneath, Chairman

The Economic Policy Review Committee is one of the newer MCA committees, having been established in January 1972.

1. Economic Stabilization Program

The Administration's economic stabilization program has been, since the Committee's inception, one of its principal concerns. A task force of the Committee has given the program continuing study. As a result of its work, MCA was able to make a number of constructive recommendations concerning Phase II, Phase III, and Phase IV, some of which were subsequently reflected in the Cost of Living Council's regulations. Most recently, the task force drafted a petition to the Cost of Living Council for the termination of wage-price controls or, failing that, the exemption of the chemical industry from them. This petition was approved in principle by the MCA Board of Directors at its October 9th meeting, and was submitted to Dr. John Dunlop, Director of the Cost of Living Council, on October 25.

2. International Economic Policy Review

A task force of the Committee has been dealing with matters of international economic policy. It began by concentrating on the Burke-Hartke bill. As the prospects for enactment of this bill faded, the attention of the task force turned to the defense of multinational corporations against the attacks being waged upon them in a number of domestic and international forums. As a contribution to public education on this much-debated subject, a literature subcommittee of the task force has drafted a pamphlet, "Multinational Chemical Companies - A Positive Economic Force for the Nation." Upon completion of review and acceptance, this pamphlet will be scheduled for early publication and distribution by MCA.

3. The Hart Industrial Reorganization Bill (S. 1167)

Together with the Legal Advisory Committee, the Economic Policy Review Committee has been concerned with Senator Hart's Industrial Reorganization bill. This bill is intended to make it possible to split into smaller units companies in a number of industries, provided that certain arbitrary measures indicate the

existence of economic concentration. The chemical industry is one of those listed as possible targets. The secretary of the Committee has monitored the three series of hearings held so far by Senator Hart, two concerned with the general question of economic concentration and the third with the American Telephone and Telegraph Company. As a result of a joint meeting of the Hart Bill task forces of the Economic Policy Review and Legal Advisory Committees, it was decided to seek the assistance of an economic consultant in preparing the chemical industry's case. Guidelines for the work of such a consultant have been prepared, and possible consultants are being interviewed. One proposal has already been received, and is under consideration by the two task forces.

4. The Energy Crisis

The developing energy crisis has been discussed by the Committee at each of its meetings since October 1972, and relevant materials have been circulated to members. However, since MCA has not agreed upon an energy policy to date, the Committee has confined itself to mutual information and discussion only. At its October 16 meeting, the Committee voted to suggest that the MCA Executive Committee look again at energy policy to determine whether it might be possible for MCA to formulate an agreed policy in this area.

Public Relations Committee Report

Jack R. Ryan, Chairman

Nov. 19, 1973

The stated purposes of this committee are to: define issues affecting our industry, determine priorities, then recommend and help carry out projects to increase public understanding of the chemical industry and the role it plays in the economy.

Instead of merely reacting to flaps that burst suddenly upon us, we are supposed to look ahead and serve as an early-warning system, and help in long-range planning.

We want to be sure we're working on the right problems, and that we're all getting our money's worth.

So we recently restructured the P. R. Committee.

First we set up an objectives-and-problems group to review the plans of all our subcommittees -- those on environmental health, community relations, consumer information and so forth -- to assure that their activities are compatible, cooperative and not overlapping.

This group also is to look into the P. R. aspects of the work of other MCA committees wherever this is appropriate. We think the Public Relations Committee can and should do much more than it has in the past to help other committees make their presentations to the proper audiences most effectively.

This assignment calls for much closer liaison with other MCA committees. Our P. R. staff always has had such a liaison relationship, of course, but now we're beefing up our own representation and so far have people working with the Education Activities Committee, the Government Relations Committee, the Economic Policy Review Committee and the International Trade Committee.

This system seems to be working, judging by the fact-finding and writing effort that some of our people have contributed to the MCA position paper on multinational chemical companies.

As demand increases for well-written background papers and presentation statements, and with the present staff already fully occupied, we should consider filling the MCA's growing need for a specialized writer skilled and experienced in this kind of advocacy work.

We have also set up a Public Affairs Subcommittee to concentrate on that early-warning function -- to alert the MCA to developing critical issues and then recommend P. R. responses.

This group has completed its first Chemical Issues Index & Commentary, listing ten top issues and four others of current concern to the chemical industry, then rating them by priorities. The issues were chosen by the MCA staff and by management people in six member companies: Dow, Du Pont, Exxon Chemical, Hercules, NL Industries and Olin. Point values were assigned on a basis of 10 points for an issue rated as Number 1, nine points for Number 2 and so on. A clear consensus emerged concerning the top half-dozen issues.

The energy crisis was rated the top issue by six of the seven participating organizations, receiving 67 out of a possible 70 maximum points. (And this survey was made before the energy pinch was further complicated by the Middle East war.)

Environmental issues -- air, water and solid wastes -- were found the second most important, followed by the attacks on the multinational companies.

Then came economic problems as a group, including inflation and Phase IV. These were not assigned a priority rating because they were not considered appropriate for public relations action by the MCA at this time.

But very much priority items for us were the next, lumped under safety and health, and including toxic substances legislation and OSHA regulations.

Next came international trade & tariff barriers. Then two issues which the committee saw as matters for continuing surveillance rather than priority P. R. action -- industrial reorganization and land use legislation. The last issue on the high-priority list was tax reform.

I have copies of this Index & Commentary if you're interested in the full report. We have asked Ned Brandt of Dow, chairman of that Public Affairs Subcommittee, to update this Index each quarter and we will send these periodic revisions along to Bill Driver.

Incidentally, on the "issues of current concern" list are also: public negativity to business, plastics flammability, licensing of nuclear facilities, and pension legislation.

Now that the MCA is considering taking a position on the energy crisis, we will immediately set up our own task force within the P. R. Committee to keep a close watch on public relations developments in energy. In this battle for oil, when the MCA decides the time has come to try to persuade influential audiences that chemicals are important too . . . that our share of the crude oil barrel is urgent to the public welfare . . . that chemicals for tires and antifreeze and synthetic fibers need adequate priorities, we will be ready.

One message coming through loud and clear from P. R. people everywhere, from the staff at MCA, from company representatives in Washington, is this: Now's the time to concentrate on Congress -- but at home in the precincts, not in Washington. In the wake of Watergate, Congress wants to show it's alive and well and still has clout. It is receptive to hometown calls for help. If ever there was a time for grass roots activity, it is now.

Rep. Joe D. Waggoner, Jr., of Louisiana told the NAM Public Affairs Committee in New Orleans the other day:

"Get into politics or out of business . . . Establish rapport with your own Congressman right now whether or not you need his help . . . If your company's got a problem, don't send your chief executive officer to talk to me if you've got a plant manager in my district who votes."

The P. R. staff has turned out the essential materials and guidelines for grass roots programs. But the staff's manpower and resources are limited. Our committee is convinced that real success at this level depends almost 100 per cent on how much activity top management can stimulate among their plant people across the land.

One member company doing well in this area puts its plant managers on notice, in writing, that getting to know the bureaucracy -- from U. S. senator to local selectman -- and on a personal basis, is an essential part of their jobs. This management follows up -- often asking for copies of the plant personnel's letters to Congressmen -- and the replies. Imagine the impact if that were the vigorously-supported policy in every chemical plant location in the United States!

Nowhere is grass roots campaigning more important than in trying to cope with that Number 2 issue -- the environment. The high priority given this in our index polls indicates that many in the industry feel we have still a long way to go, educating the public on the complexity and cost of the environmental health job we are doing.

MCA public relations tools are available and we're trying to persuade plant people to use more of them. They are good tools by any P. R. standard -- especially our booklets on the causes and cures of water and air pollution.

Here's a quick sampling of the kind of letters our staff gets.

1. An assistant commissioner of water pollution control in Cleveland calls the water booklet "excellent" and asks for 200 copies for visitors to the Cleveland Southerly Plant. A year later the same city asks for 300 more copies for use in "public meetings and discussions on water pollution," congratulating MCA for "such a concise and easily understood booklet about a complex and highly technical subject."
2. The Institute of Science and Technology at Ann Arbor, Michigan, asks for 75 copies of both booklets for a conference of upper level executives responsible for pollution-control decisions.

3. An Iowa teacher wants 25 copies of each booklet for required reading in her classes in Environmental Chemistry, saying they would "counter some of the ideas presented in other reference materials that I presently have." The booklets will be re-used for five years. She points out: "These young people, as future voters, will be passing laws of the next decade."
4. The Air Pollution Control District of Jefferson County, Louisville, wanted 2,500 copies of the air booklet for its so-called "basic packet" for students. This request said: "It is the first such booklet I have seen that covers the complete range from natural sources through control methods. Congratulations on a first-rate accomplishment."
5. Chemical Week magazine wanted 20 copies of each for "advertising managers and agency personnel assigned the task of communicating the fact that chemical process companies are indeed deeply concerned and financially involved in environmental matters."

And there are many letters from companies who want the booklets for local high schools, colleges, club presidents, community leaders. IBM asked for some to use in its internal courses for employees.

With our limited funds, we haven't much chance of breaking into television, but we keep trying to find ways of utilizing other audio-visual media. The staff has just finished two scripts with picture boards and text for films on air and water pollution abatement. These would use mostly available stock film to make a half-hour film on air and a 20-minute one on water. They would be excellent for member-company use at the grass roots. Vic Peterson is developing cost figures and I expect to have a money proposal for this by the next budget period.

Meantime our newsletter ChemEcology continues to thrive. It goes only to readers who specifically ask for it -- and those requests come in at the rate of 50 to 100 a week -- mostly from government officials concerned with the environment, ecology groups and educators, and also from other businessmen and industry. The present circulation is nearly 13,000.

Our compilations of case histories in handling ecology problems have been going like hotcakes. So far, eight major universities have requested multiple copies for classroom use.

In consumer information, we are launching -- in conjunction with the 11½-million-member General Federation of Women's Clubs -- a safety contest on the theme: "Safety is Everyone's Responsibility -- Read the Label!" The prize will be a trip to the nation's capital. This will be one of our own grass roots programs.

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I wish I could report success in our efforts to present more Catalyst programs around the country. Catalyst '72 was the forum for young people, educators, businessmen and public interest groups with chemical industry leaders, presented here last November. More than 250 attended, and we considered that moderately successful.

We scheduled a Catalyst '73 in Chicago for Nov. 7 and the committee and staff worked up a first-rate program including heavy participation by our industry and public interest groups. Considering our big cast of speakers, we regarded 150 as a minimum registered audience. Only 51 had registered by the time we'd reached the point of no return, and we cancelled the whole affair.

We now think the year-ago Catalyst attracted the audience it did largely because most of the people were already here for the MCA Semiannual meeting. We believe the Chicago failure shows what happens when member-company grass roots support is not adequate to enable such a forum to stand on its own. Friends in other industries tell us they've had similar failures lately with affairs which formerly attracted much interest. That's not much consolation, but perhaps it tells us something about how little interested college people, for example, are these days in devoting several hours to discussing what most of them think of as our problems, not theirs.

Being well prepared and eager to answer loaded questions and tell our chemical industry story is not enough if nobody's listening. Moreover, many of the most eloquent anti-industry activists -- those with a vested interest in dissatisfaction -- are more than just indifferent: they don't want to hear our side.

Obviously we have to come up with some kind of format or project or happening that will seize the interest and the imaginations of thought-leaders and persuade them to hear us out, look us over fairly, before we can hope to convince them that our accomplishments are in their best interests too.

The P. R. Committee is trying hard to come up with realistic, inexpensive ways to reach these Catalyst audiences. We haven't given up altogether on the Catalyst type forum, either.

We are of course going to be listening carefully at tomorrow's MCA meeting devoted to improving the industry's image.

At our recent P. R. Committee meeting, Chairman Hugh Hoffman of Opinion Research Corporation discussed this image problem with us -- and once again we found our industry near the bottom. Small comfort that some former stalwarts, like banking, government and the unions, were found to be slipping in public favor. That just tells us the public has less and less confidence in the Establishment.

As for that other question -- are we getting our money's worth? -- I believe, and so does my predecessor, George Lawrence of Exxon Chemical, that we have an efficient, low-cost P. R. operation. The staff is professional, knows what it's

doing and tries conscientiously to stretch our dollars as far as they will go. I think your own P. R. people will agree that our staff drives hard bargains. The response from our publics is big for the money spent. It will get bigger as our grass roots campaigns broaden.

And if we're not spending money on the right things, it's not because of any failure to consider lots of other possibilities. We're always looking for better ways. I'm hoping for suggestions right here today.

Thank you.

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REPORT TO THE MCA BOARD OF DIRECTORS

By

Paul E. Reed, Chairman
Solid Wastes Management Committee

November 19, 1973

Paraphrased, the stated purposes of the Solid Wastes Management Committee formed in November 24, 1969 were: "- - - to reduce the quantity and noxious character of its industry's wastes; to foster reuse and recycling; to assemble, enlarge upon and disseminate the 'State-of-the Art,' knowledge base and good practices among all concerned; and to cooperate in the development and adoption of sound legislation and regulations governing waste handling, treatment and ultimate disposal."

As pollutants are being more effectively removed or abated from our air and water, it becomes even more obvious that proper ultimate disposal is essential. For matter can neither be created nor destroyed; it can only be altered in its composition, physical form and in its location.

While the primary thrust of Federal Air and Water Legislation was simply to ban or prohibit wastes from air and water, little guidance was included on what should or could be done with the resultant accumulations.

The Solid Waste Disposal Act of 1965 recognized the general lack of proven answers; also that simply banning waste from land, the only remaining depository after air and water, was not a rational solution to the problem. It, therefore, was aimed "- - - to initiate and accelerate national research and development for new and improved methods of disposal and resource recovery and to provide assistance to planners at local levels." Much knowledge

has since been accumulated; some is yet to be tested and proven. Meanwhile, existing Federal Solid Waste and Resource Recovery legislation, amended in 1968 and 1970, is now due to expire in June 1974. Washington sources in EPA's Office of Solid Waste Management programs now forecast that Federal Legislative hearings on new definitive replacement legislation will not begin before the spring of 1974; and that, with the recognized need for long, subjective study, any bill which comes out on Resource Recovery or Hazardous Waste Control will probably not be acted upon for at least a year from the time it is introduced. Another extension for existing legislation is, therefore, likely.

The thrust of this Committee's efforts and accomplishments to date have indeed followed the stated purposes outlined above. Practical guidelines for various options of waste characterization, handling and disposal have been assembled and distributed among MCA members and their concepts discussed with some interested State and Federal agencies. It will soon publish rather complete Solid Wastes Management Guides on these subjects for even wider distribution. Its subcommittees and members continue to provide technical input and constructive recommendations to State and Federal legislative and regulatory groups on such matters as Ocean Disposal, proposed Government Guidelines on solid wastes management, and hazardous waste disposal concepts. On September 26, in Washington, D.C. a Mini-Conference, sponsored jointly by EPA's Office of Solid Waste Management Programs, the National Solid Waste Management Association and MCA's Solid Waste Management Committee brought interested members from industry, disposal contractors and regulators together to exchange views on practicalities, possibilities and principles to be considered in formulating new controls and schedules.

The Solid Wastes Management Committee is now and for the next year or two, at least, will continue to concentrate most of its attention and efforts toward Federal legislative and regulative

5. ENFORCEMENT AUTHORITIES. As indicated above, the States will be asked to bear primary responsibility for enforcing Section 4 standards. The authority to enforce Section 5 may be delegated to qualified States by the Administrator; otherwise enforcement of hazardous waste treatment and disposal standards under Section 4 and of all Section 5 standards may be sought by EPA administrative order; by civil action of the U.S. Attorney General at EPA request; or by citizen suits.
6. OTHER KEY PROVISIONS.
 - a. Inspecting. Any person who stores, treats, transports, disposes of, or otherwise handles hazardous wastes must maintain records relating to such wastes and make them available to the Administrator or the State for inspection purposes. The Administrator's designates are also authorized to enter, inspect, and obtain samples from establishments in which hazardous wastes are stored, as long as such activities are conducted at reasonable times and are concluded with reasonable promptness.
 - b. Imminent Hazards. The Administrator may request legal action, including a court order to permanently enjoin all operations, against any person who handles, stores, or operates a disposal site for hazardous waste in such a manner that an imminent and substantial danger to human health or other living organisms is created.

The disposal of hazardous wastes to the land is increasing as a direct result of increased production and institution of controls on air and water waste streams and ocean dumping as required by existing environmental control legislation.

Based upon recently completed National Disposal Site studies by EPA, it is conservatively estimated that 10 million tons per year of hazardous wastes are currently generated by U. S. industry and

increasing at a rate of about 5 percent annually. The chemical industry is regarded as the primary source.

Current disposal costs per ton range from \$2.00 to \$10.00 for landfill and ocean disposal; to \$60.00 for bulk incineration; to \$200/ton for certain organics in drum quantities. Special pretreatment and handling can add significantly to this disposal cost. Especially difficult wastes may cost much more. Assuming \$100/ton, the cost potential to our industry might be in the order of one billion \$/year.

Reorganized this year, intending to better cope with the growing problems envisioned, SWMC and its Subcommittees and Task Groups are now unusually active with no respite foreseen. Conferences, responses to proposed legislation and regulatory guidelines and publication of technical guidelines are typical of current activities. We estimate that within the six months since April of this year, SWMC members have invested about 325 man days plus expenses on those tasks and subjects directly related to pending laws and regulations. Using technical consultant fee schedules, this investment totals about \$ 100,000 , or an annual rate of \$200,000.

SWMC contact and dialogue, to date, with legislative and regulatory personnel reveal a multiplicity of bills is pending, the number sixty having been mentioned. Much overlap is indicated into land use, packaging, transportation, etc. The trend is toward an omnibus bill including these many considerations.

Accordingly, it is essential, and we and the MCA staff are actively pursuing, the clarification and coordination of these related interests with other concerned MCA committees. Our objective is to present sound, responsive and timely MCA positions in our continuing dialogue with Federal representatives.

Other MCA committee jurisdictions specifically identified as overlapping to date are Government Relations; Legal Advisory; Tax Policy; Transportation and Distribution; and Plastics. Others may evolve.

Our least resolved need is one of legal assistance which the Joint Subcommittee on Environmental Law has not yet been able to adequately fulfill. Mere liaison, we believe, must be replaced with timely legal inputs stressing "preventive" law and having continuity of legal representation. Alternatives are being explored with all concerned which might reveal the need for decisions of a policy nature.

It is from the staggering potential impact from outright banning; and of these costs to the industry which have developed within the Committee a sense of urgency and commitment on the part of its members. "Now is the time for response; for it to be influential, it must be informed and rapid" - for the next year or two at least.

Assuming we can expeditiously solve our organizational problems and improve our effectiveness, we are encouraged to believe that wisdom gained from mistakes and overkill experienced in air and water legislation and regulations will help us avoid repeating them in pending wastes disposal control - an even more complex subject.

Principles we think all thoughtful interests can espouse are: steady rather than "instant" and erratic progress; prioritied, balanced, and affordable objectives; taut but achievable time schedules; and mid-course measurement and adaptive adjustment as we learn together from experience. Undesirable second and third order effects must be anticipated and avoided. Other truths which should be seen as self-evident include:

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- (a) Those residues which are toxic and generally non-degradable, unless destroyed or detoxified, may well require care and monitoring in perpetuity to assure the continued isolation from the environment.
- (b) The ideal solution is to return unusable residues to the life cycle through its basic building blocks - such as carbon dioxide, water and neutral salts. Broadly speaking, this may be done with many industrial wastes by biochemical oxidation or reduction, chemical oxidation, reduction or neutralization and by landfill and incineration. Basic technology is available, but it must be skillfully adapted to handle special circumstances and to maximize resource conservation.
- (c) No disposal option should be banned outright or out-of-hand, for all possibilities must first be explored for prudent use under controlled conditions.
- (d) Because of the complexities and high costs of sophisticated disposal technology, regionalization needs serious consideration in order to conserve all resources.
- (e) Realistic laws, regulations and evenhanded enforcement which will stand the test of reasonableness are essential so that all may know what is required and share equitably in its burdens.

STAFF REPORT

EXHIBIT J

by

William J. Driver

November 19, 1973

Myron T. Foveaux, former director of trade policy for Monsanto Company, was named October 15 as the chemical industry's assistant trade advisor. On leave of absence from Monsanto, Mr. Foveaux will serve in the office of the Chemical Industry Trade Advisor as top assistant to the Senior Advisor.

Organization in support of the Chemical Industry Trade Advisor is proceeding with dispatch. The roster of the twelve-man policy advisory committee is almost completed. Responsibility for filling the technical advisory committee, which Mr. Foveaux will chair, has evolved upon the cooperating trade associations and is progressing. The task groups comprising the committee are divided by function for operating convenience.

Staff assistance for task groups on organic and inorganic pigments is planned to be given by the Dry Color Manufacturers Association, plastic and resin materials by the Society of the Plastics Industry, and fertilizers by the Fertilizer Institute. SOCMA will assist with cyclic intermediates, dyes, flavor and perfume materials, surface-active agents and miscellaneous chemicals (organic), and MCA with elastomers, inorganic chemicals, medicinal chemicals (bulk), plasticizers, pesticides, and related products (bulk) and rubber processing chemicals.

Although groups are expected to be manned largely by representatives of members of the supporting trade associations, participation will extend also to companies outside the association memberships in order to assure industry-wide coverage as broadly as can be accomplished.

* * *

We submitted a petition to Dr. John Dunlop, director of the Cost of Living Council, for the termination of the entire economic controls program, or, at the very least, the decontrol of the chemical industry.

The petition, prepared by a special task force of the Economic Policy Review Committee and submitted on October 25, maintained that the chemical industry represents a singularly appropriate case deserving of immediate decontrol in the light of the industry's historic non-inflationary price performance and its commitment to correction of current supply/demand imbalances.

The petition held that continuation of controls will

CMA 070274

adversely affect the industry's ability to undertake such correction.

High officials of the Administration and the Cost of Living Council have pledged serious consideration of de-control on a sector-by-sector basis. In accordance with this pledge, the fertilizer industry was recently decontrolled.

* * *

The Trade Bill which has encountered repeated delays and postponements has been delayed indefinitely at the request of the President. The source of uncertainty has been a provision in the legislation which would grant Most-Favored-Nation treatment to the Soviet Union and other Eastern Bloc countries. Despite White House resistance, the Ways and Means Committee rewrote this section of the bill, so that MFN concessions hinge on an easing of emigration policies. At this writing, it appears that the Administration will seek deletion of the altered MFN section on the House floor, but its chances for success are not good.

There is a further indication that Congress resents the role of the Soviet Union in the Arab-Israeli conflict. Support is building for an expected floor amendment which would deny the USSR other trade benefits in the form of credit from the Export-Import Bank.

Even if House action on a trade bill is completed before year's end, the Senate Finance Committee has decided to defer the start of its hearings until 1974.

The Toxic Substances Bill is still the subject of a House-Senate conference, with prospects for prompt resolution of differences unclear. The conferees have not met since September and recent international and domestic developments have put a severe strain on the schedules of most Members of Congress. It appears doubtful that meetings will resume before December.

* * *

CMA 070275

The Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights now has under consideration two comprehensive patent law revision measures:

S. 1321, introduced by Senator Philip A. Hart (D-Mich.), and S. 2504, the Administration-sponsored bill introduced by Senator Hugh Scott (R-Pa.) on October 1.

We submitted a statement to the Patents, Trademarks, and Copyrights Subcommittee commenting on certain provisions of the Hart bill in September during the course of Subcommittee hearings on patent law revision. There is no indication that the Subcommittee will reopen the hearings to receive test-

imony on the Administration measure. However, the MCA Patent and Trademark Committee met November 6 to undertake drafting comments on various provisions of S. 2504. Whether or not additional hearings are conducted, it would be useful to submit comments to the Senate subcommittee on the significant or controversial provisions of the Administration measure.

* * *

The House Ways and Means Committee is continuing to mark up a private pension plan bill, H.R. 4200, which passed the Senate on September 20. The Committee hopes to complete action on this measure by mid-November. We submitted comments on the bill to the Ways and Means Committee, recommending changes to provisions relating to portability, plan termination insurance and pension limitation.

The House Education and Labor Committee has already reported out its version of pension plan legislation, H.R. 2, and has requested a rule to bring that bill up for House floor debate. However, the Rules Committee decided on October 30 to delay granting a rule on H.R. 2 until December 4, in order to give the Ways and Means Committee time to complete action on its pension plan bill.

A jurisdictional dispute exists between the Ways and Means Committee and the Education and Labor Committee with regard to committee responsibility for various aspects of pension plan legislation. This could delay final House action on this issue. If the dispute can be resolved, however, it is possible that the House might pass a pension plan bill before the end of the year.

* * *

We presented extensive comments to EPA October 15, on the four alternative strategies proposed as means of complying with the court directive that state implementation plans be required to "prevent significant deterioration of air quality" in any portion of any state.

We opposed the adoption of Plan I, which would permit arbitrarily defining increments of air contaminant levels, or arbitrary percentage increases in such levels, over that existing in 1972. Plan II, which MCA also opposed, would set corresponding limits on allowable increments in emissions inventories of those of the baseline period.

We supported certain aspects of Plan III, which would allow the local governments to decide, on a case-by-case basis, whether the increase in air contamination associated with any proposed new source would be considered significant.

Similar support was given to Plan IV, which would provide for special considerations to be given recreational or primitive areas to preserve their esthetic characteristics, and would allow area variances where the need to exploit natural resources justified some trade-offs of environmental values.

The thrust of MCA comments was that the major consideration should be the protection of the total environment by the prevention of adverse effects, rather than mere compliance with arbitrary numerical goals. Any acceptable implementation strategy must provide for evaluation of all pertinent factors bearing upon any specific case.

* * *

On October 12, EPA published proposed regulations that would permit the use of tall stack and of "supplementary control systems" (SCS) as a means of attaining ambient air quality standards in those cases in which available control technology is inadequate to achieve the necessary degree of emissions limitation.

By SCS, EPA means a system of plant operation and monitoring that requires the plant to reduce or suspend plant operations during periods of meteorology unfavorable to atmospheric dispersion of stack emissions.

We have submitted comments endorsing the concept of SCS, but expressed disappointment in the very rigorous restrictions placed upon the use of such systems, restrictions that would substantially negate the value of the proposed rules to industry. We also objected to the designation of such systems as "last ditch" temporary expedients, and ask that their use be authorized wherever, for whatever periods, they constitute the most effective, economical and environmentally acceptable method of environmental resource management.

* * *

In an October 17 letter to Administrator Russell E. Train, we recommended that the Environmental Protection Agency (EPA) accept alternative proposals regarding the development of "Effluent Guidelines and New Source Performance Standards for Industrial Point Sources."

Consistent with our position on similar proposals for the non-fertilizer phosphate manufacturing industry, we concurred with a finding by EPA's Effluent Standards and Water Quality Information Advisory Committee that the current program fails to properly recognize the inherent variables EPA is required to consider under the provisions of the law. We also supported a suggestion that the program provide a range of numbers relating to standards.

* * *

CMA 070277

Some 200 high school counselors and chemistry teachers attended the annual Guidance Conference and Luncheon sponsored by the Chemical Industries Council (CIC) of the Midwest in Chicago on October 13. The featured luncheon speaker was Dr. Frank Endicott, director of placement (retired) and professor of education (emeritus), Northwestern University.

The theme of the conference was energy and featured a panel of four authorities on the topic. Each presented his views and participated in a Q and A session with the educators.

* * *

Safety and Fire Protection, Chemical Packaging and Transportation Equipment Committee members reviewed a model fire prevention code proposed by the National Fire Protection Association (NFPA). NFPA's objective is to provide a model code which can be used by municipalities in developing local laws and regulations.

While MCA supports in principle the adoption of such a code, the Association--in concert with other industry groups--objects to many aspects of the proposal. Cited in our letter of response to NFPA were the:

- .Lack of industry representation on the NFPA model code drafting committee,
- .Inclusion of numerous inconsistencies and conflicts with existing NFPA standards, and
- .Broad powers given to local fire marshalls.

As an alternative, we recommended restructuring the drafting committee so as to include industry representatives, along with a full review of the ultimate proposal by interested parties.

* * *

The Safety and Fire Protection and Occupational Health Committees are seeking member company reaction to an OSHA directive which permits on-the-spot citation for either serious or nonserious violations at the closing conference between the compliance officer and plant management, although--in some circumstances--the compliance officer must first consult with OSHA's area director.

There is concern that on-the-spot emotional reactions might result in citations for petty violations.

* * *

In the suit of the Dry Color Manufacturers' Association in reference to the emergency temporary standard on fourteen purported carcinogens, the Third Circuit Court of Appeals ruled that the Department of Labor had not submitted sufficient evidence in support of 3,3'-dichlorobenzidine and ethyleneimine. These two chemicals were removed from the list of fourteen carcinogens in the emergency temporary standard.

On November 3 the Department of Labor issued fourteen different standards on the fourteen chemicals which were on the original list. There will be no requirement of permits or zero tolerance. These are consistent with recommendations submitted by MCA.

* * *

The Transportation and Distribution Committee recommended MCA strengthen its position on the proposed solution to Northeast Rail Crisis as it related to the labor aspect. There was growing concern that H.R. 9142 detailed labor provisions of a nature that should be left to management/labor negotiations. Our committee was further concerned that Congress was being overly protective of railway labor in order to win union support for this bill. In my letter of October 15, 1973, we specifically spoke out against lifetime protection for the individual worker and job protection for jobs that may be eliminated by technological advancement.

* * *

"Chemistry in the Economy," a 600-page report published by the American Chemical Society (ACS) and supported in part by the National Science Foundation, does an excellent job of covering the economic impact of chemistry on industry and society. Through extensive research it also predicts future advances and suggests shifts in chemical education.

The book, based on input from about 400 people from industry, government and academe, shows that chemistry's impact is tremendous on all U.S. industry. It also attempts to show the strong ties connecting the scientific discipline of chemistry to its practical world of commerce and social activities.

* * *

Federal Maritime Commission Docket (FMC) 73-48 proposed that by October 18 all barges and vessels over 300 tons operating on the inland waterways require a "certificate of financial responsibility" to cover the cost of cleaning up leaks or spills or be subject to fines.

In a letter to the FMC, we pointed out that compliance with this regulation would necessarily depend upon a reference list of hazardous substances determined by EPA, and this list would not be published until December or early 1974.

FMC's order, issued October 12, postponed the effective date to coincide with the date when EPA's hazardous substances list becomes effective.

* * *

More than 200 members of industry and the media turned out to hear Senator Hubert H. Humphrey (D-Minn.) talk on energy and food supplies at an October 9 Chemical Forum Luncheon. EPA Administrator Russell E. Train addressed the Chemical Forum on November 12.

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The B96 Committee of the American National Standards Institute (ANSI), to which MCA serves as secretariat, has developed revised "Specifications for Welded Aluminum-Alloy Field-Erected Storage Tanks" (B 96.1-1973).

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