

AGENDA
MCA EXECUTIVE COMMITTEE MEETING
Monday, November 20, 1978 -- 1:15-2:55 p. m.
Room I, Pinnacle Club, 150 East 42nd Street
New York City

TAB

- | | | |
|------------|---|----|
| 1:15 p. m. | 1. Call to Order -- Chairman Henske | |
| 1:15-1:20 | 2. Minutes of Last Meeting -- Secretary Barackman | 1 |
| 1:20-1:40 | 3. Financial Report | |
| | a. Five Months Ended October 31, 1978 | |
| | -- Treasurer Herrman | 2 |
| | b. Finance Committee Report -- J. E. Burrell | 3 |
| 1:40-1:55 | 4. Request for Funds | |
| | a. Non-Attainment (Exhibit C) -- E. B. Frost | 4 |
| | b. Analytical Methods (Exhibit Q) -- J. G. Tritsch | 5 |
| | c. Solid Wastes Studies (Exhibit T) -- J. G. Tritsch | 6 |
| | d. Ambient Air Quality Standards (Exhibit O) -- J. G. Tritsch | 7 |
| 1:55-2:00 | 5. Report of Chairman of Executive Committee -- J. M. Henske | 8 |
| 2:00-2:50 | 6. Association Activities | |
| | a. Amendments to MCA Bylaws -- B. M. Barackman | 9 |
| | b. Interassociation Cooperation -- R. A. Roland | |
| | c. Personnel -- R. A. Roland | |
| | d. Status Report re. Julien J. Studley Study -- R. A. Roland | |
| | e. Chemical Industry Communication Program -- R. A. Roland | |
| | f. Association Name Change -- R. A. Roland | 10 |
| | g. Benzene Panel Charter -- E. B. Frost | 11 |
| | h. Report of Special Committee on Chemical
Incidents -- W. M. Stover | |
| 2:50-2:55 | 7. New Business | |
| | -- December 12, 1978, Executive Committee Meeting | |
| | -- R. A. Roland | |
| | 8. Adjournment. | |

NOTE: The Executive Committee will assemble for luncheon at 12:30 p. m.,
Room I, Pinnacle Club

CMA 062139

Action Taken at the Executive Committee Meeting
November 20, 1978

1. Approved minutes of October 10 Executive Committee meeting.
2. Requested the Treasurer to include membership of Executive Committee in the distribution of Finance Committee minutes.
3. Approved the recommendation of the Finance Committee that the FY 78/79 deficit should be funded by utilizing MCA's reserves, but the reserve level should not be allowed to fall below a floor of 25% of Operating Expenses.
4. Asked Mr. Roland to present at the December 12 Executive Committee meeting a proposed program to communicate to the membership the need for additional dues.
5. Approved \$50,000 to litigate Non-Attainment.
6. Approved \$30,000 for conduct of study on comparative analysis of toxic pollutants in plant waste water discharges.
7. Approved \$50,000 for conduct of tests on hazardousness of solid wastes using EPA proposed protocols.
8. Deferred until the December 12 Executive Committee meeting consideration of the request for \$125,000 for conduct of studies related to EPA's review of ambient air quality standards.
9. Approved establishment of an inside committee on chemical incidents, chaired by Mr. Stover, to take the place of the previously established Special Committee on Chemical Incidents.
10. Supported establishment of new Association Liaison function within MCA with Mr. George W. Ingle designated as Director.
11. Approved, for submission for Board consideration and subsequent member companies vote, the proposal to change the Association's name to "Chemical Manufacturers Association."
12. Noted proposed MCA Bylaws Amendments to be considered at Board meeting.

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CMA 062140

MINUTES OF MEETING
MCA EXECUTIVE COMMITTEE MEETING
Pinnacle Club, New York City
November 20, 1978

1. Following lunch at 12:30 p.m., the meeting was called to order by the Chairman. There were present:

John M. Henske, Chairman	Paul F. Oreffice
William H. Bricker	Robert A. Roland
J. Earl Burrell	*William G. Simeral
Edward Donley	Tom K. Smith, Jr.
William C. Krumrei	Jack B. St. Clair
Duncan J. MacLennan	Alexander B. Trowbridge

*Bruce M. Barackman, Secretary
*Edmund B. Frost, General Counsel
*Gary C. Herrman, Treasurer

By Invitation:

E. P. Blanchard (SOCMA), E. I. du Pont de Nemours
and Company
*E. W. Callahan, Allied Chemical Corporation
Stephen L. Goldstein, Olin Corporation
*V. H. Peterson, MCA
*J. E. Slavick, MCA
*William M. Stover, MCA
*John G. Tritsch, MCA

*Present part time only

2. Minutes of October 10, 1978, Meeting The minutes of the October 10 Executive Committee meeting, as distributed, were approved. Actions taken by the Executive Committee that date are summarized in Attachment A.

3. Financial Report

a. Mr. Herrman summarized the Treasurer's Report, Attachment B, noting that for the five months ending October 31, 1978, income was \$4,011,700 and expenditures \$2,040,400 resulting in an excess of revenues over expenditures of \$1,971,300. Assets totaled approximately \$8.6 million, of which \$4.4 million related to special subscribed projects. With the adjustments made as of the October 10 Executive Committee meeting, a fiscal year-end deficit of \$707,900 is anticipated. Mr. Herrman further

advised that the pending requests totaling \$130,000 would increase the anticipated deficit to \$837,900.

b. Mr. Burrell, on behalf of the Finance Committee, reviewed the impact on expenses resulting from the reorganization of MCA, and alluded to the presently expected deficit of \$707,900. A deficit of \$1.25 million could result if pending additional requests are approved. Two alternatives for financing the deficit were presented -- funding from reserves or levying a special assessment. In recommending the former approach, Mr. Burrell advised that a deficit of \$700,000 would reduce reserves to 33% of the operating budget; a deficit of \$1 million would reduce reserves to 25%; and reserves would drop to 19% with a deficit of \$1.3 million.

Potential spending for future years cannot be estimated at this time, but for fiscal 1979-80 a budget of \$7.1 million could be approached, based on present trends, requiring a dues increase next fiscal year of about 60%.

The Finance Committee has requested MCA staff to review the dues structure and entrance fee and give consideration to converting from a sales base to an assets base in determining dues; review the necessity for existing programs in the light of increased spending; and improve communications with the membership at large, particularly the probable dues increase for fiscal 1979-80.

Anticipating a deficit of approximately \$1.1 million for fiscal 1978-79, the Finance Committee presented the recommendation in Attachment C.

During subsequent discussion, Mr. Roland, concurring in the recommendation of the Finance Committee, opined that the deficit could probably be held to the \$1.1 million level.

Mr. Henske stated that in view of MCA's increased activity, its operating budget in a couple of years could be double this year's. In addition, a proposal soon will be presented for a coordinated industry public relations program which in itself will probably approach or exceed the operating budget. MCA may face expenditures in fiscal 1980-81 three to five times the anticipated 1978-79 expenditures. He emphasized the necessity for communicating to the membership what lies ahead, and the need for increased dues to finance the expanded activities of MCA.

The Executive Committee then approved the recommendation of the Finance Committee after again being advised that the probable dues increase for fiscal year 1979-80 would be at least 60%.

The Treasurer was requested to send the minutes of Finance Committee meetings to the membership of the Executive Committee. Mr. Roland was asked to present, at the December 12 meeting, a proposed program to

communicate to the membership the need for additional dues.

4. Request for Funds Mr. Callahan discussed in depth the complicated non-attainment subject and on behalf of the Environmental Management Committee, presented three proposals which were approved as follows:

Litigation

Exhibit C - Non-Attainment \$50,000⁽¹⁾

Projects

Exhibit Q - Analytical Methods \$30,000⁽²⁾

Exhibit T - Hazardous Solid Wastes \$50,000⁽³⁾

Exhibit O, Ambient Standards, also presented by Mr. Callahan, was deferred until the December 12 meeting of the Executive Committee.

- (1) For the balance of this fiscal year. An additional request may be included as part of the fiscal year 1979-80 budget.
- (2) For fiscal year 1978-79 to establish a data base.
- (3) This is the second part of the proposal and concerns Hydrosience/Hazelton tests using EPA proposed protocols.

Mr. Frost, referring to Exhibit C, said that while the contemplated legal activities may result in some relief, they are a prelude to an attempt to amend the Clean Air Act at an appropriate time.

5. Report of Chairman of Executive Committee Mr. Henske referred to his written report, Attachment D. He also emphasized how much time Mr. Callahan and the Environmental Management Committee have expended on behalf of MCA on environmental issues, pointing to the success in amending Section 311 of the Clean Water Act as a good example of what can be achieved with sufficient commitment -- the kind of commitment which all member companies should be willing to make if MCA's increased advocacy role is to continue to succeed. Mr. Roland, in observing that the time spent by committee members on Association activities takes them out of their recognized career channels, expressed the hope that rather than penalizing them, such activities will be recognized as a relevant part of their career course in their respective companies.

Mr. Henske reviewed the previous establishment of the Special Committee on Chemical Incidents to be headed by a ranking industry executive. In view of MCA's reorganization, he presented a counterproposal that all MCA working committee activities related to chemical incidents be coordinated through an inside committee on chemical incidents to be chaired by Mr. Stover, Director of Government Relations, working with representatives from those committees. Mr. Smith, Vice Chairman of the Board,

will provide a special oversight to the committee to assure necessary support from the industry. Committee progress can be reviewed subsequently and if it doesn't work out, a return to the original approach can be made. The counterproposal was approved.

6. Association Activities After convening in executive session, at which time MCA staff was excused from the meeting, Mr. Roland reviewed the present state of reorganization and evaluation of the MCA staff and functions. Comments were solicited from Executive Committee members regarding the performance of various staff activities during the past four months along with pertinent recommendations. He advised the committee of certain compensation changes which were indicated by outstanding performance and stated that the total MCA compensation and fringe benefit program would be discussed at some future meeting for the information of the Executive Committee. Reference was made again to the fact that monthly Executive Committee and/or Board meetings presented an administrative burden for the staff which appeared to be increasing and had some negative effect on the ability to perform other Association responsibilities. He suggested that future consideration be given to a fewer number of Executive Committee meetings and a proposal to this end would be presented at a later date.

Mr. Roland also discussed the establishment of a new Association Liaison function within the MCA and his selection of Mr. George W. Ingle, Assistant Technical Director, as the appropriate person to fulfill these responsibilities. This function would relate directly to the enhanced advocacy role of MCA and has the enthusiastic support of a large group of chemical industry associations who discussed this subject at a recent meeting. The Executive Committee supported this program as well as the designation of Mr. Ingle as Director.

The Committee then continued in open session with Mr. Roland reporting as follows:

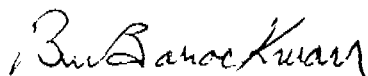
-- Referring to the suggested name change for MCA, Attachment E, he recommended "Chemical Manufacturers Association" as the preferred choice. Following discussion, Mr. Henske proposed to submit that name to the Board for their considered opinion at the January meeting, with the understanding that if approved, it would then be put to a written vote of all member companies. This was approved.

-- Mr. Roland announced that the agreement had been signed for a study, by Julien J. Studley Inc., of future MCA housing needs.

-- The Chemical Industry Image Communications Program will be on the December agenda and Mr. John W. Hanley will be present to join in the discussion.

a. Amendments to MCA Bylaws Mr. Henske advised that the Amendments to MCA Bylaws would be taken up at the Board meeting.

b. Benzene Panel Charter Mr. Frost reviewed the proposed expanded Charter of the Benzene Panel, Attachment F. This was approved.



Bruce M. Barackman
Secretary

Certified correct:



John M. Henske, Chairman
MCA Executive Committee

Action Taken at the Executive Committee Meeting
October 10, 1978

1. Approved for retirees a cost-of-living pension adjustment of 4% per year in retirement since December 1, 1976 effective as of December 1, 1978.
2. Raised no objection to paying Hydrosience \$5,000 to verify "Neely Method" of determining harmful quantities regarding hazardous substances spills.
3. Approved redefinition of Vice President/Secretary-Treasurer position as two separate positions; i. e., Vice President/Secretary and Vice President/Treasurer, with Mr. Bruce M. Barackman appointed to the former position and Mr. Gary C. Herrman to the latter.
4. Approved staff action to work up proposals for Association name change and graphics.
5. Approved expenditure of \$5,000 if needed for a study by Julien J. Studley, Inc., of future MCA housing needs.
6. In connection with a chemical industry image communications program, requested a refined paper be prepared for presentation to Board at November meeting.
7. Approved bestowal of authority on Chairman of Special Committee on Chemical Incidents similar to that given to Mr. Heckert as Chairman of Special Committee on Toxic Substances Legislation.
8. Requested Mr. Roland for status report, at November Meeting, on developments concerning leadership role of CIRLG in coordinating chemical industry interassociation communications.
9. Approved substitution of Mr. Herrman's signature for that of Mr. Best for purposes of Association's accounts at National Savings and Trust Company.
10. Noted necessity for MCA to have a position by March of 1979 regarding future direction of AIHC.

MANUFACTURING CHEMISTS ASSOCIATION
MONTHLY TREASURER'S REPORT
June 1, 1978-October 31, 1978

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Comments on Balance Sheet

The balance sheet reflects total assets at October 31, 1978 of \$8,686,900 as compared to \$8,468,200 during the same period of the prior year. Liabilities have been reduced from \$4,589,900 to a current level of \$4,492,100.

ASSETS:

- The majority of assets are maintained in interest bearing securities (\$8,638,200) following investment guidelines as set forth by MCA's Executive and Finance Committees. These security investments are composed of the following fund categories:
 - Restricted Funds - represent investment of assets which are committed as to final disposition through contractual or other agreements.
 - Short-Term Investments - are derived from temporarily idle cash which will be required in support of General Operating Expenses by year-end.
 - Projected Year-end Reserves - reflect a current best estimate of Reserve funds which will on hand at year-end assuming operating results will be as budgeted. The annual budget as currently approved will result in a decrease in Reserves of approximately \$700,000. The projected year-end Reserve level of \$1,515,600 will represent approximately 33% of the current year's operating budget.

LIABILITIES:

- The liability categories are largely self-explanatory. Of the total liabilities, \$4,229,100 represents unexpended funds received for the various subscribed research projects. This is a dual liability for MCA in that MCA is legally bound under contracts to various research organizations and also is committed to the various subscribing companies as to proper utilization of the funds provided.

MANUFACTURING CHEMISTS ASSOCIATION

BALANCE SHEET

(Rounded to Nearest Hundred)

	October 31	
	1978	1977
<u>ASSETS:</u>		
Cash	\$ 40,700	\$ 19,400
Investments:		
Restricted Funds	4,444,000	4,570,600
Short-term Investment of Current Operating Funds	2,678,600	1,648,500
Year End Operating Reserves (1978 Projected; 1977 Actual)	1,515,600	2,223,500
All other	7,900	6,200
TOTAL ASSETS	<u>\$8,686,800</u>	<u>\$8,468,200</u>
<u>LIABILITIES:</u>		
Prepaid meetings, workshops & symposia	\$ 66,700	\$ 5,400
Payroll and other Taxes	400	200
Amounts Payable on Prior Year Special Projects	47,700	19,100
Deferred Compensation	148,200	104,600
Deferred Revenue for Subscribed Projects	4,229,100	4,460,600
TOTAL LIABILITIES	<u>\$4,492,100</u>	<u>\$4,589,900</u>
<u>FUND BALANCES:</u>		
General Operations - Beginning of Year	\$2,223,500	\$1,894,400
Excess Revenue Over Expenses (Five months operation)	1,971,200	1,983,900
TOTAL FUND BALANCE	<u>\$4,194,700</u>	<u>\$3,878,300</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$8,686,800</u>	<u>\$8,468,200</u>

Comments on Revenues & Expenses Versus Budget by Line Item

After five months of operation during the 1978-1979 fiscal year, MCA has received \$4,011,700 in revenues and expended \$2,040,400 - resulting in a net gain of \$1,971,300. By year-end, the approved annual budget anticipates a net deficit of \$707,900.

With the exception of Membership Dues and General Meeting Income, the "Phased Budget" assumes that revenue and expenses will occur evenly throughout the year.

REVENUES:

- Investment Income - The level of investment income which will be received by the end of FY 78/79 is to a large extent dependent on activity within the subscribed projects. It now appears that investment income will exceed \$600,000 by year-end.
- Overhead Reimbursement - Subscribed Projects represents administrative fees levied on the various subscribed projects at the rate of \$450 per man day of involvement by MCA professional staff. In addition, the necessary policy of collecting subscribed project funds prior to commencement of a project, provides substantial revenue through investment of these funds as was mentioned above. Total revenue received from these projects is intended to insure that membership dues are not utilized to support direct or indirect costs of administrating the projects.

EXPENSES:

- Salaries & Employee Benefits - the variance indicated by this report currently appears to be due almost entirely to payment of the annual retirement contribution in the early part of this fiscal year.
- Insurance & Taxes - the budget as originally prepared included provisions for insurance of the Chemtrec operation at \$150,000 and Publications insurance at a level of \$200,000. It now appears that the final cost of insuring these categories may be \$50,000 - \$75,000 less than originally anticipated.

CMA 062150

MANUFACTURING CHEMISTS ASSOCIATION
General Operations
Revenues & Expenses Versus Budget by Line Items
June 1 through October 31, 1978
(Rounded to Nearest Hundred)

	Five Month's Operations			1978-1979
	Actual	Phased	Variance	Annual Budget
	Results	Budget	Favorable	As Amended
			(Unfavorable)	
<u>REVENUES:</u>				
Membership Dues & Entrance Fees	\$3,609,600	\$3,615,000	\$ (5,400)	\$3,615,000
Investment Income	208,700	208,300	400	500,000
General Meeting Income(Net of Exp)	68,300	65,000	3,300	130,000
Publications Sales	40,800	41,700	(900)	100,000
Overhead Reimbursement-				
Subscribed Projects	82,800	75,000	7,800	180,000
All other	1,500	-0-	1,500	-0-
TOTAL REVENUES	<u>\$4,011,700</u>	<u>\$4,005,000</u>	<u>\$ 6,700</u>	<u>\$4,525,000</u>
<u>GENERAL OPERATING EXPENSES:</u>				
Salaries & Employee Benefits	\$1,190,100	\$1,057,100	\$ (133,000)	\$2,537,000
** Legal Fees & Expenses	349,700	360,400	10,700	865,000
** Consulting Fees	3,200	25,400	22,200	61,000
Rent & Occupancy	61,600	60,300	(1,300)	144,500
Insurance & Taxes	106,500	199,400	92,900	478,600
Telephone & Postage	78,400	82,000	3,600	196,900
Furniture Equipment & Supplies	49,300	46,000	(3,300)	110,400
Travel & Expenses	38,500	45,400	6,900	109,000
* All other	35,800	37,700	1,900	90,400
OPERATING EXPENSE TOTALS	<u>\$1,913,100</u>	<u>\$1,913,700</u>	<u>\$ 600</u>	<u>\$4,592,900</u>
** SPECIAL PROJECTS	<u>\$ 127,300</u>	<u>\$ 266,700</u>	<u>\$ 139,400</u>	<u>\$ 640,000</u>
TOTAL EXPENSES	<u>\$2,040,400</u>	<u>\$2,180,400</u>	<u>\$ 140,000</u>	<u>\$5,232,900</u>
EXCESS OF REVENUE OVER				
EXPENSES (Expenses over Revenue)	\$1,971,300	\$1,824,600	\$ 146,700	\$ (707,900)

*-All other includes audit & investment services, general printing, miscellaneous expenses, dues, subscriptions, publications, contingency, and similar miscellaneous items.

**-Budget amendments in these categories are reflected on page 7 of this report.

Comments on Revenue & Expenses Versus Budget by Department & Project

"Budget Phasing" as practiced at MCA and most trade associations assumes that expenses will occur evenly throughout the year. A Departmental analysis of the variances produced by this management control technique is as follows:

• Management - indicated variance of \$120,700 composed of

Retirement Plan & Group Insurance	\$ (23,200)	<u>Analysis:</u> caused by payment of the full actuarially computed annual pension cost in the first part of the year. Year-end results should be as budgeted.
Legal Fees & Expenses	(93,000)	<u>Analysis:</u> large legal expenses in first part of year but the annual budget provision appears adequate.
All other Expenses	(4,500)	<u>Analysis:</u> variances are within normal anticipated ranges
	<u>\$ (120,700)</u>	

• Technical - General - indicated variances of \$186,100 composed of

Retirement Plan & Group Insurance	\$ (49,700)	<u>Analysis:</u> as above
Legal Fees & Expenses	105,100	<u>Analysis:</u> expenses will increase during the latter part of the year as bills for litigating on behalf of the industry are received.
Consulting Fees	22,200	<u>Analysis:</u> work has not been completed under authorized consulting contracts.
Taxes & Insurance	88,700	<u>Analysis:</u> payment has not been made for the publications insurance policy, an invoice is expected within the next several months.
All other Expenses	19,800	<u>Analysis:</u> variances are within normal anticipated ranges.
	<u>\$ 186,100</u>	

- Summary - A similar analysis of the variances within the remaining operating departments did not disclose any items requiring immediate attention.

MANUFACTURING CHEMISTS ASSOCIATION
General Operations
Revenues & Expenses Versus Budget by Department & Project
June 1 through October 31, 1978
(Rounded to Nearest Hundred)

	Five Month's Operations			1978-1979
	Actual Results	Phased Budget	Variance Favorable (Unfavorable)	Annual Budget As Amended
<u>REVENUES:</u>				
Membership Dues & Entrance Fees	\$3,609,600	\$3,615,000	\$ (5,400)	\$3,615,000
Investment Income	208,700	208,300	400	500,000
General Meeting Income(Net of Exp)	68,300	65,000	3,300	130,000
Publication Sales	40,800	41,700	(900)	100,000
Overhead Reimbursement-				
Subscribed Projects	82,800	75,000	7,800	180,000
All other	1,500	-o-	1,500	-o-
TOTAL REVENUES	<u>\$4,011,700</u>	<u>\$4,005,000</u>	<u>\$ 6,700</u>	<u>\$4,525,000</u>
<u>GENERAL OPERATING EXPENSES:</u>				
Management	\$ 615,400	\$ 494,700	\$ (120,700)	\$1,187,330
Technical - General	524,300	710,400	186,100	1,705,000
Technical - Chemtrec	180,500	169,500	(11,000)	406,800
Public Relations	234,900	202,300	(32,600)	485,420
Government Relations	193,400	192,800	(600)	462,720
Staff Services	164,600	144,000	(20,600)	345,630
OPERATING EXPENSE TOTALS	<u>\$1,913,100</u>	<u>\$1,913,700</u>	<u>\$ 600</u>	<u>\$4,592,900</u>
<u>SPECIAL PROJECTS:</u>				
Technical	\$ 65,800	\$ 182,800	\$ 117,000	\$ 438,700
Public Relations	61,500	79,700	18,200	191,300
Government Relations	-o-	4,200	4,200	10,000
SPECIAL PROJECT TOTALS	<u>\$ 127,300</u>	<u>\$ 266,700</u>	<u>\$ 139,400</u>	<u>\$ 640,000</u>
TOTAL EXPENSES	<u>\$2,040,400</u>	<u>\$2,180,400</u>	<u>\$ 140,000</u>	<u>\$5,232,900</u>
EXCESS OF REVENUE OVER EXPENSES(Expenses over Revenue)	<u>\$1,971,300</u>	<u>\$1,824,600</u>	<u>\$ 146,700</u>	<u>\$ (707,900)</u>

MANUFACTURING CHEMISTS ASSOCIATION
SUMMARY OF BUDGET AMENDMENTS
1978-1979 FISCAL YEAR
June 1 - October 31

	<u>Amount of Amendments</u>
<u>INCREASES IN FY 78/79 BUDGETED LEGAL FEES:</u>	
• Legal Fees to intervene in ICC Discriminatory Rail Rate proceedings.	\$ 120,000
• Legal Fees to provide "issues and action" study on EPA regulations concerning Prevention of Significant Deterioration (PSD) under the Clean Air Act.	50,000
• Legal Fees for action on EPA Pretreatment Standards for water discharged into Publically Owned Treatment Works (POTW)	50,000
• Legal Fees to prepare industry position on EPA proposed regulation changes to the National (water) Pollution Discharge Elimination System (NPDES).	25,000
• Legal Fees for intervention in EPA Resource Conservation and Recovery Act (RCRA) proceedings.	10,000
TOTAL LEGAL FEES AMENDMENTS	<u>\$ 255,000</u>
<u>INCREASES IN FY 78/79 BUDGETED CONSULTANT FEES:</u>	
• Employment of a consultant for work on Toxic Substances Control Act (TSCA) Evaluation & testimony	<u>\$ 25,000</u>
<u>INCREASES IN FY 78/79 BUDGETED SPECIAL PROJECTS:</u>	
• Supplemental funds in support of the Toxic Substances Control Act (TSCA) economic impact study.	\$ 100,000
• Financial support of ASTM evaluation of proposed EPA testing methods relating to the classification of solid wastes.	6,000
TOTAL SPECIAL PROJECT AMENDMENTS	<u>\$ 106,000</u>
TOTAL AMENDMENTS TO THE FY 78/79 BUDGET	\$ 386,000
Deficit provided in the original FY 78/79 Budget	<u>321,900</u>
TOTAL DEFICIT per pages 4 and 6 of this report	<u><u>\$ 707,900</u></u>

FINANCE COMMITTEE REPORT

Mr. Burrell will present a report on the Finance Committee Meeting of November 1, 1978. The Committee recommendation is that --

"The FY 78/79 deficit should be funded by utilization of MCA's reserves but the reserve level should not be allowed to fall below a floor of 25% of Operating Expenses."

MCA
EC-11/20/78

CMA 062155

EXHIBIT C

Recommendation that MCA Appeal the Emission Offset Interpretative Nonattainment Ruling Adopted by EPA under Section 129(a) of the Clean Air Act Amendments of 1977.

As discussed in Exhibit "C" to the August 8, 1978, Executive Committee agenda, EPA in the near future will adopt revised regulations under Section 129(a) of the Clean Air Act Amendments of 1977 which imposed additional requirements that will significantly limit the chemical industry's ability to construct or modify a new facility in areas with air quality worse than the national ambient standards. EPA's revision of the non-attainment/emission offset interpretative ruling will raise again several issues originally raised by EPA's Prevention of Significant Deterioration Regulation (PSD). These regulations are currently being challenged by MCA in the United States Court of Appeals for the District of Columbia Circuit.

The Environmental Management Committee (EMC) and its Nonattainment/PSD Task Group (task group) have reviewed the final document that Administrator Costle is expected to sign in mid-November. The EMC and its task group recommend an MCA appeal based on the significant adverse impact on the chemical industry's ability to build new and/or modify existing facilities and the existence of valid grounds for appeal. Outside counsel (Theodore L. Garrett of the Washington, D. C. law firm, Covington & Burling) concurs that there is a valid basis for appeal. MCA's General Counsel has reviewed the matter and fully concurs with the EMC and outside counsel that MCA should file an appeal.

If the Executive Committee authorizes the appeal, it will be filed in the United States District Court of Appeals for the District of Columbia Circuit where jurisdiction over issues of national applicability are specifically reserved by Section 307(b) of the Clean Air Act. We expect a number of member companies to join in the appeal. In addition, other trade associations and States are expected to join or initiate separate challenges.

MCA will be represented by Theodore L. Garrett and Roberts B. Owen of the Washington D. C. law firm, Covington & Burling. MCA probably will be able to pursue the litigation with the \$50,000 previously listed for October approval under the non-attainment budget item. In order for MCA to conclude the litigation and resolve all outstanding issues, an additional request for funds may be included as part of the 1979 budget.

EC - 11/20/78

CMA 062156

Status Report

Ambient Primary and Secondary Air Quality Standards

Recommended by: Environmental Management Committee

	<u>Budget Request</u>	<u>Commitment Desired By</u>
Fiscal Year 1978-79	\$125,000	12/12/78

EPA is in the process of making its required periodic five-year review of national ambient air quality standards, which requires the use of "best available scientific evidence." Ozone (O_3) was chosen as the priority standard for review. On June 22, EPA proposed increasing the standard from 0.08 ppm to 0.10 ppm, effective September 30, 1978. MCA commented on September 22, 1978. Because EPA subsequently has extended the comment period to October 23, 1978, we are uncertain as to the effective date, but expect it to be an early one.

It is our judgment that EPA has not recognized the best available scientific evidence, and it has created excessive margins of safety through compounding event probabilities. For example, an event of 0.15 ppm would exceed the proposed standard of 0.10 ppm more than once per year, only every 250 years, according to an analysis of EPA probability estimates. Since recent health studies at the Harvard School of Public Health show no adverse health effects for 2-4 hour exposures at 0.25 ppm, and even though some EPA officials concede that 0.15 ppm would be proper, an unrealistic margin of safety has been provided.

Moreover, the recent discovery and August 22 report by a Texas Air Control Board chemist that ozone generators produce highly reactive singlet oxygen, at atomic ratios of 3:1 of O_3 , is deeply disturbing because smog chamber test results are cast in doubt and may be worthless. EPA has relied heavily on smog chamber work for setting the O_3 standard. Interestingly, ambient O_3 studies have seldom agreed with smog chamber data.

The extended comment period and the singlet oxygen report re ozone generators make it highly desirable to undertake confirmatory work.

The stakes obviously are very large. Refined proposals are being developed by Dr. J. M. Pitts, University of California at Riverside, to make analytical determinations of oxidant species in corona and UV ozone generators (\$25M), and by the University of Texas School of Public Health (\$125M) for repetition of the key health effects study relied upon by EPA in setting its standards.

Action Required: None. Note that the request initially was estimated to be \$75,000.

MCA
EC - 11/20/78

Proposal
on
Analytical Methods and Monitoring

Recommended by: Environmental Management Committee

	<u>Budget Request</u>	<u>Commitment Desired by</u>
Fiscal Year 1978-79	\$30,000	12/12/78
Future	\$75,000	

Protocols for sampling and analysis of toxic pollutants in wastewater discharges on sound statistical bases are ultra-sophisticated, call for very expensive analytical instruments, and necessitate highly trained personnel. As increasing numbers of toxic pollutants will require continuous or frequent monitoring to satisfy permit conditions, larger numbers of plants will be forced into analytical situations for which they are unprepared and which outside service organizations cannot fulfill.

Since early 1977, EPA has been working to obtain data on toxic pollutants in wastewater discharges. Three phases -- screening, verification, and validation -- are programmed. The screening phase is "complete" and EPA is now beginning to return results to member companies whose plants have been sampled at a total of 57 locations. Comparative results are terrifying because of enormous discrepancies between EPA data and member company data where duplicate/split samples have been taken. For example, at one plant EPA reported 13 pesticides in discharge waters; the plant neither makes nor uses pesticides. Of 20 samples, there was "close" agreement on only one and that was within a factor of 2.

Using the experience from member companies, Radian Corporation will be engaged to perform five general tasks:

- a. Collect toxic pollutant data from the 57 locations, encoding it to protect the confidential content, the identification of the company, and the location.
- b. Verify the data base and put into a software package for statistical and comparative analysis, using paired data.

- c. Make statistical analyses, including influent-effluent comparisons, regression analyses to compare plant data with EPA data, quality control of analytical procedures, and development of averages, ranges and variance factors.
- d. Evaluate the results in statistical reliability terms.
- e. Prepare a report for MCA use and distribution.

The work is planned for completion in 12 weeks after authorization.

The Analytical Methods and Monitoring Task Group is continuing to work on guidelines for member company use whenever wastewater sampling for toxic pollutants is being undertaken. A survey of member company experience is underway to acquire a clearer understanding of the existing level of capability and to provide direction regarding the guidelines. Outside expert assistance may be sought at an estimated \$5,000 to \$10,000.

MCA
EC - 11/20/78

Proposal

on

Solid Waste Studies - Criteria Evaluation and Methodology

Recommended by: Environmental Management Committee

	<u>Amount Requested</u>	<u>Commitment desired by</u>
Fiscal Year 1978-79	\$50,000	November 20, 1978

Under Section 3001 of the Resource Conservation and Recovery Act, EPA must establish regulations setting forth criteria and testing methods for determining whether a solid waste would be designated hazardous. The EPA proposed test protocols would require separate determinations regarding ignitability, flammability, radioactivity, chemical reactivity, infectiousness, toxicity, including mutagenic activity. The relevance of those tests is unsupported by meaningful research or technical studies.

Preliminary results from isolated member company tests indicate that many materials considered innocuous (examples are fly-ash, asphalt paving, or containerboard) would fail one or another of the tests and be classified hazardous. The consequences of misclassification are far-reaching. For the chemical industry, classification of waste as hazardous would induce disposal costs in the range of \$80 to \$100 per ton, whereas nonhazardous materials can be put into landfills at a cost of \$15 per ton. Moreover, the number of class I landfills available to accept an enlarged volume of hazardous waste is strictly limited. An overtaxing of the capacities of these landfills would lead to the opening of new sites at locations remote from urban and industrial centers, if they could be established.

Simple classification methods are needed to establish reliable, rapid, low-cost methods for determining if a solid waste should be treated as hazardous. Critical analysis of the EPA protocols also is necessary to this process.

*See Minutes of August 8, 1978 Executive Committee Meeting

(a) MCA has contributed \$6,000 to the American Society for Testing and Materials (ASTM) Committee D-19.12 which is developing test methods for appraising the leaching of waste materials. Round-robin collaborative tests of their simplified procedure are underway on replicated analyses of six waste materials using three extraction procedures. These procedures aim for simplicity and reproducibility without compromising health effects determinations.

(b) It is proposed to engage Hydrosience, Inc. to conduct toxicity tests and Hazleton Laboratories to conduct genetic activity assays, using the proposed EPA protocols. This phase of the program is estimated to cost \$50,000. The program has been discussed with EPA; the Agency encourages us to proceed. Results would be made available to EPA and others to demonstrate needed modifications in the EPA test protocols.

The program is expected to be completed ten to twelve weeks after authorization.

MCA

EC - 11/20/78

CHAIRMAN'S REPORT
August, September, October 1978

Introduction

The close of the 95th Congress in October brought a mass of legislation which we are still studying for its relevance to the chemical industry. The National Energy Program, of course, is the most important of these last-minute bills because of the wide-ranging and continuing impact it will have. But amid the closing rush were other signal successes for MCA and the industry. They were treated extensively in a special Federal Legislative Bulletin and a special insert to MCA News, but their names bear repeating here: Section 311, "superfund," TSCA amendments, energy reporting.

The successes were the result of close cooperation among all staff members. It is this kind of cooperation, this kind of activity that will mark the spirit of the new advocacy role MCA has begun to play.

The agenda for the next quarter is full. The Resource Conservation and Recovery Act, certain aspects of the Toxic Substances Control Act, pretreatment regulations, prevention of significant deterioration regulations, state implementation plans on air pollution, product liability legislation. And more. Never, it seems, has there been so much to do, and never has the Association been in better condition to do it. The reorganization is working, and the more tightly structured committees and staff are responding with renewed spirit to the tasks facing them.

JOHN M. HENSKE
Chairman of the
Executive Committee

TECHNICAL DEPARTMENT

CHEMICAL REGULATIONS ADVISORY COMMITTEE. MCA has made every effort to make clear to EPA that overly strict rules under section 5 (Premanufacturing and Processing Notices) can obstruct innovation if demands for health, safety and marketing information go beyond the statutory need to establish that there is no unreasonable risk.

Economic Impacts Task Group. A one-year, \$300,000 pilot study on the economic impact of the Toxic Substances Control Act (TSCA) was begun with the signing of an agreement with National Economic Research Associates, Inc. The primary objectives are to establish a method for measuring the economic impact of TSCA on the chemical industry and the U.S. economy, to impact EPA during the regulatory development process and to impact Congress for regulatory reform. Over the next few months, the actual survey questionnaire will be developed and pretested on a small group of member companies.

DISTRIBUTION COMMITTEE. MCA is asking appropriate member companies if they accept the railroad's proposal for a new tank car mileage allowance system that would increase compensation by almost two-thirds in three years. Approval by MCA member companies and other parties to the proceeding seems certain. MCA will file a statement noting that a proposal to change truck drivers' hours of service might actually increase accidents. The proposal of the Transportation Department's Bureau of Motor Carrier Safety will increase costs by 25 percent. In an Interstate Commerce Commission proceeding on increased freight rates and charges, MCA has filed a statement contending that the rail rates on six chemical product groups were already too high. MCA plans to file a similar statement on future railroad freight rate increase proposals that would raise chemical freight rates.

ENERGY CONSERVATION COMMITTEE. The latest energy conservation report (for the period June 1977 to June 1978) to the Department of Energy was presented to the press at a luncheon on November 6, with Robert A. Roland as host. Also distributed to the press were MCA replies to the General Accounting Offices' reporting program and the Energy Information Administration's report to Congress that could give Congress the impression that a more legislation and regulation are needed to accomplish what already is being accomplished. The committee is working on tentative industry positions on the National Energy Act and has discussed coal conversion regulations with the DOE's economic regulatory

administrator. On December 7, the committee will conduct a seminar for DOE on cost determination in the chemical industry.

ENGINEERING ADVISORY COMMITTEE. The Engineering Advisory Committee's (EAC) National Electrical Code Task Group met in August to recommend MCA proposals for revision of the National Electrical Code. The EAC's Task Group on Electrical Motors met in August to finish a proposed MCA guide entitled "Recommended Specification Guide for NEMA-Frame Size Totally-Enclosed Fan-Cooled Horizontal Induction Motors for Chemical Industry Service".

ENVIRONMENTAL MANAGEMENT COMMITTEE. During August through October, the Environmental Management Committee and its task groups met more than 30 times on its present major programs: solid waste regulations, hazardous chemical spills, pretreatment regulations, prevention of significant deterioration regulations, content of pending revisions to state implementation plans, health effects of air quality, water quality criteria, toxic pollutant sampling and new economic perspectives on environmental regulations.

The committee also developed a program for combined technical and legal actions to prepare the bases for responding to 25 critical regulations, among 87 identified of importance, scheduled to be issued by the end of 1979. In structuring this program, the EMC established 15 task groups, compared to 47 under the "old" committee structure, and reduced task group members to about 80 from more than 250.

INSURANCE COMMITTEE. On September 28, Robert L. Mitchell of Celanese Corporation presented a statement before the Subcommittee on Miscellaneous Revenue Measures of the House Ways and Means Committee supporting the tax deductibility of reserves to pay product liability claims. Congress failed to act on legislation for reserve deductibility but instead enacted tax "carry-back" provisions which will do little to alleviate product liability claim problems.

OCCUPATIONAL SAFETY AND HEALTH COMMITTEE. In a statement for MCA before the Subcommittee on Labor of the Senate Committee on Human Resources on October 5, Dr. Bruce W. Karrh, medical director of the DuPont Company, called on OSHA to work cooperatively with industry rather than taking punitive action to secure an injury-free workplace.

\$335,000 on September 28 to operate the stations and to analyze data for the second year of the experiment.

Other ongoing studies of particular importance are the development of a method of analysis for total chlorine in the stratosphere and catalytic destruction of fluorocarbons in the troposphere by air-borne dust and sand particles. Proposals for trend analysis of ozone concentration, joining the relatively new satellite observations with an extensive set of ground-based data, are presently under consideration in the panel.

Phosgene. The Technical Panel on Phosgene Safety met on October 31 to complete action on 14 agenda items. Among the more important of these were six investigative proposals. Five of these are concerned with retrospective mortality studies, retrospective pulmonary studies and a prospective on-site study in a member company wherein the phosgene unit is relatively isolated from other suspect exposures. The sixth project under consideration is a long-term, low-level inhalation study.

Titanium Dioxide. The Tabershaw Occupational Medicine Associates P.A., have in progress a feasibility analysis for an epidemiological study of titanium dioxide workers. On-site visits have recently been completed. A draft of the final report is to be submitted in November. Depending on the findings evolving from the feasibility study, a full-scale epidemiological investigation might be conducted.

Trichloroethylene. The Trichloroethylene Task Group on the Audit of the Chronic Inhalation Study met in November to prepare a final report on this research program, which was conducted by Industrial BIO-TEST Laboratories, Decatur, Ill. Two important actions must be completed by the audit task group prior to its final report: A comprehensive review of and critique on the air concentration report or the exposure chamber concentration report. Review of a critique on a draft of the final report covering a histopathologic study conducted by Experimental Pathology Laboratories, Inc.

Epichlorohydrin. The Technical Panel on Epichlorohydrin will meet on November 21 to review the findings of the 90-day inhalation probe. Also attending will be Dr. A. R. Sellakumar, who will discuss his research at the New York University Medical Center. On October 12 a Current Intelligence Bulletin was issued advising that epichlorohydrin should be treated in the workplace as if it were a human carcinogen.

Ethylene Dichloride. Research on the effects of long-term inhalation is not yet complete, although preliminary results do not show any excess carcinogenicity. The National Cancer Institute recently issued its report on the carcinogenesis bioassay of ethylene dichloride, stating that oral administration of the compound produced cancers in rats and mice.

Vinylidene Chloride. On September 21, a joint NIOSH/OSHA Current Intelligence Bulletin was issued on the carcinogenicity of vinyl halides -- including vinylidene chloride. Citing the NIOSH Criteria Document and Dr. C. Maltoni's work, the bulletin says vinylidene chloride caused angiosarcoma of the liver in animals. The bulletin is currently being reviewed by the technical panel, especially in light of the extensive research program MCA has administered.

Benzene. In mid-summer 1978, MCA entered into a contract with Tabershaw Occupational Medicine Associates for a mortality study of workers exposed to benzene at nine operating plants of member companies. This epidemiological work is expected to be completed about the Spring of 1980.

Butylated Hydroxytoluene (BHT). Additional funds have been approved for an expert's review of the Franklin Institute's report on a literature survey.

TECHNICAL PUBLICATIONS. Procedures to establish and maintain other technical publications in addition to Chemical Safety Data Sheets in an up-to-date condition were recommended by outside counsel in September. Steps to implement the recommendations are being taken. The MCA film, "Safety in the Chemical Laboratory" was found to be out-of-date, has been withdrawn from distribution and purchasers of the film advised. Drafts of 11 revised Chemical Safety Data Sheets are being prepared; eight drafts are now in the edit/review stage; two drafts are in final form, awaiting resolu-

tion of chronic hazard question before publication, and one draft-- on phosgene--has been published.

Revised drafts of eight Safety Guides are in various states of completion, four are in final draft and one has been published.

CHEMTREC. One CHEMTREC workshop was held in Cleveland in October. One is scheduled for Atlanta in November. The manager of CHEMTREC made the following presentations: Detroit -- 1978 Mid-Continent Conference & Exhibition on Control of Chemical & Oil Spills; Cincinnati -- International Association of Fire Chiefs; Maryland -- University of Maryland - Fire & Rescue Services; Delaware -- Chemical Industry Council and New Castle County Fire Chiefs Association.

CHEMTREC Statistics:

Total Inbound Calls	3,087
Emergency Calls	877 (28%)
Total Emergencies	739
Transportation	665
Non-transportation	74

GOVERNMENT RELATIONS DEPARTMENT

LEGISLATIVE COMMUNICATIONS: Energy. In connection with the National Energy Plan legislation proposed by the administration, MCA worked in close concert with Washington representatives of member companies and members of the Energy Conservation Committee. Congressional developments were monitored closely to insure that enacted bills were compatible with industry interests. Particular attention was given to energy tax proposals which might have produced user taxes or a crude oil equalization tax.

Environment. Superfund. MCA took the leading role in an inter-industry effort to block enactment of this highly objectionable piece of legislation. We were joined by petroleum, waterways, trucking, railroad and other interests.

Section 311. MCA was the principal industry organization responsible for enactment of a vastly improved Section 311 of the Clean Water Act. The section now clearly distinguishes between discharges associated with routine operations and spills from non-routine causes. The Association, working closely with EPA and several other industry groups and Congressional staff, was able to help to steer the industry bill through both Senate and House in the final hours of the 95th Congress.

The Government Relations Department has begun evaluation of legislative prospects for the coming year in the environmental area, with particular attention to the likelihood of amendments to RCRA.

OSHA. MCA testified before the Senate Labor Subcommittee during its oversight hearings on OSHA in early October. Our staff participated in polishing of Association testimony, gathered useful background material on Subcommittee members, helped to brief and prepare the witness team and handled all logistical communications before and after the hearings.

MCA monitored and reported in detail on the OSHA oversight hearings conducted by the House Manpower Subcommittee in mid-September.

AIHC. In support of AIHC programs, the staff participated in a number of meetings with Washington representatives and with communications specialists handling the AIHC media campaign. A number of advisory communications have been sent to all member companies keeping them abreast of developments. Special attention is being given to constructive contacts with members of Congress to explain the AIHC alternatives package.

Taxation. In connection with MCA testimony in late August on the tax reduction bill, the staff worked closely with the Association witness in preparing him for his appearance before the Senate Finance Committee. We coordinated development and submission of an Association statement on the "sunset" review of taxation issues which was filed September 1. A letter to the House Ways and Means Committee was prepared in early September which expresses our views on the tax treatment of employee fringe benefits. On the 31st of October there was a general meeting of the MCA Tax Policy Committee.

Toxic Substances Control Act. The staff lead industry efforts to communicate with Congress regarding the impending amendments to TSCA, a version of which passed the Senate containing an objectionable indemnification provision. The measure died in the House of Representatives.

Transportation. MCA continues to monitor closely the increased Congressional interest and attention to emergency response capabilities in connection with transportation accidents. We worked closely with Congressional staff and participated in the MCA Emergency Response Workshop conducted in Cleveland in October. We monitored Congressional attention to the Norfolk and Western rail strike, which was causing concern for many chemical shippers.

Trade/Tariffs. The staff answered numerous requests from member companies and media regarding the multilateral trade negotiations. A staff member represented MCA as a consultant to the U. S. Government's delegation to the annual meeting of the Economic Commission of Europe, Chemical Industry Committee. In connection with the visit by leaders from the European Council of Chemical Industry Federations, we prepared an economic analysis and forecast paper for their advance review. In addition, the staff chaired the staff-level briefing conducted for the delegation during their visit October 10. The staff participated in numerous meetings with government officials on trade matters including representatives of GAO, the Office of the Special Representative for Trade Negotiations, the Department of Commerce and Congressional staff.

Product Liability. The MCA staff helped prepare a letter to a Senate Finance Subcommittee setting forth the Association's views on legislation to provide tax deductions for amounts held in reserve for product liability losses. The letter was submitted in early September. Later that month we were also involved in preparing testimony in the same area which was presented to the House Ways and Means Subcommittee.

PROJECTS AND SERVICES: Chemical Forum. The Chemical Forum luncheon series is planned and managed by the staff of the Government Relations Department. The September 12 luncheon featured an address by Representative James G. Martin (R-NC), a member of the House Ways and Means Committee and a well-known spokesman for reasonableness on questions of science and government regulation. On October 10 the forum was addressed by Under Secretary of Commerce Sidney Harman.

Briefing Breakfasts. The Briefing Breakfast series is conducted by the MCA staff as a means of providing regular up-dates for Washington representatives of member companies. Status reports and current action in both legislative and regulatory areas are presented. Special guests frequently make brief presentations and answer questions. On August 31 the special guest was Charles Bruce, a counsel on the staff of the Senate Finance Committee, who discussed pending tax legislation. On October 26, William F. Hildenbrand, secretary to the minority of the Senate and principal Senate floor aide to Senate Minority Leader Howard Baker, gave his forecast on the Senate races in the November 7 elections.

Monitoring and Publications. In addition to routine legislative monitoring, the staff published editions of the Federal Legislative Bulletin on August 29 and October 19 that gave up-to-date reports on legislation of interest to the chemical industry. The October issue furnished a wrap-up of the 95th Congress. Legislative status charts were also prepared on several occasions for use at Briefing Breakfasts and for distribution to the MCA Board of Directors and MCA Executive Committee.

INTERNAL MISCELLANEOUS: During this quarter the Department added two new staff members. H. Christopher Nolde joined us as legislative representative for safety and health. He will manage the legislative communications programs which relate to TSCA and OSHA and will serve as legislative editor. Miss Doris Baquine joins the staff as secretary to Mr. Nolde.

ChemEcology addressed three major issues of importance to the industry during this quarter.

Transportation safety was the theme in the August issue. In September, ChemEcology was careful to provide facts about the Love Canal incident which most of the media chose to ignore. This helped to put that issue much more in its proper perspective. Several articles in the October issue emphasized the growing realization that risk/benefit is more than a concept-- it is a fact of life. For example, the National Research Council says that the benefits of nitrogen fertilizers outweigh their possible risk to the ozone layer, and a federal court struck down a workplace standard for benzene on the basis that its cost exceeded potential benefits to employees.

During this period 400 additional thought and opinion leaders voluntarily asked to be added to our mailing list, bringing total ChemEcology circulation to 24,000.

Three Toxic Substances Management Memos were issued on Sections 5 and 8(d) of the Toxic Substances Control Act, and on the Association's economic impact study of the Act. At the same time, the circulation of the memos has been expanded and opened to anyone in the industry with a "need to know."

Environmental information was made available during these three months through MCA exhibits at meetings of the American Chemical Society, the American Public Health Association and the National Science Teachers Association.

Education Activities. An initial printing of 50,000 copies of "Minority Engineers--A Guide to Career Selection" has been exhausted. The booklet is MCA's contribution to the industry's effort to achieve a parity in the hiring of minority engineers within 10 years. A completely new edition of "Chemistry Projects and Science Fairs" was also published. Distribution of "Experiments in the Chemistry of Foods" was stopped because it included suspect chemicals. A public advisory has been issued. MCA exhibited for the first time at a meeting of the

American Public Health Association, a group that includes environmentalists, public health directors, government administrators and educators. October was also MCA's first time to exhibit at an American Chemical Society meeting. At the National Science Teachers Association convention in October, MCA strengthened its liaison and continued its role of leadership within NSTA by serving on the convention planning committee. Through MCA's efforts, the chief toxicologist of The Dow Chemical Company probably will address the NSTA national meeting next April. The manager of education participated in several ACS conferences and in a conference on high school chemical education. Preparations for the next teacher awards have begun.

Consumer Information. MCA has arranged for the first time to participate in the National Association of Farm Broadcasters annual meeting in November. Before this meeting began, MCA had received more than 60 requests from individuals for two to four interviews each with industry representatives for a total of 100-250 tapes. Since this is a first-time effort, only audio tapes will be made. About 3,000 tapes of interviews made at the American Women in Radio and Television annual meeting in June have been requested for use by extension home economists around the country. Response has been positive, with most of the tapes being used at least three times--on the radio, with discussion groups and as source material for newspaper columns. MCA has arranged with the National Association of Extension Home Economists to sponsor a contest for the best multi-media packet which conveys positive aspects of chemistry in extension home economics programs. The winner of the CHEMM-PAK (Creative Home Economics Multi-Media Packet) award will receive \$500. Another contest, sponsored originally by the General Federation of Women's Clubs and MCA, will be continued alone by GFWC over the next two years. "It's Your Country, Make It Work" was designed by MCA to explain the U.S. economic system.

In addition to exhibits at the National Extension Homemakers

Council and the National Association of Extension Home Economists, the Consumer Information Section also participated in a National Safety Council program. Another participant used the occasion to ask the consumer information manager to prepare a program on food additives for the annual meeting of the American Association of Orthodontists.

Two six-minute interviews of Edward Donley were conducted by the section for the radio show "Good Living." Arrangements also were made to interview Tom K. Smith Jr. and John Henske for the program. Magazines and trade papers continue to call for reprint rights to "Your Breakfast Chemicals"--one of the most recent uses showing a color photo of a typical breakfast and its natural chemical ingredients in Chemistry magazine of the American Chemical Society.

Press Relations. The section worked closely with Parade magazine on its October cover story on Chemtrec. Parade has a circulation of 55 million, plus multipliers. Arrangements have been made to reprint the story. The section also has cooperated with Chemtrec in writing an article on the emergency service for the monthly publication of the International Association of Fire Chiefs and on another article for Firehouse, a monthly magazine of 100,000 circulation that goes to the firefighter. Chemtrec and the section are also preparing a presentation talk for the Chemtrec manager. The manager of press relations made the arrangements for an NBC television interview with the president of MCA on the Love Canal incident and the possible ramifications of RCRA. Staff also arranged the press luncheon on the industry's energy conservation report that featured MCA's president and members of the Energy Conservation Committee.

Industry representatives have been contacted to write articles for the special Journal of Commerce edition that highlights the chemical industry on the day of the Semiannual Meeting. Coverage of the meeting by the trade and general press has been arranged. Press releases, of course, were issued on all major statements and activities of the Association.

Special Publications. MCA News in October published a special insert on the good work of the Government Relations and Legal Departments in the last session of Congress. It also published Representative Jim Martin's Chemical Forum address as an insert. Dr. Martin's speech was made into a brochure, which will get the widest possible distribution, including 400 copies that were gratefully received by Dr. Martin himself. A special effort was made to call attention to the impressive work of the chemical industry in energy conservation by publishing the results of the latest energy report to DOE in a 12-page booklet. In addition to the figures, a statement by Mr. Roland and a narrative section on "how the industry did it" filled out the publication. The booklet will get wide distribution, but its primary audience will be the Hill and the bureaucrats in DOE. The section wrote and edited some of the materials that went into the work book for the Department of Commerce briefing by the industry on November 14. The section also prepared this report.

Chemical Industry Councils and similar groups have expressed great interest in having Mr. Roland speak to them. The new MCA president spoke to the Louisiana and Texas chemical associations in this past quarter and he is scheduled to speak to the Los Angeles and Northern California groups in November and to the Midwest CIC in the spring.

SUGGESTED NAME CHANGE FOR MCA

As previously discussed with the Executive Committee and Board, it is believed advisable and appropriate at this time to consider a change in the corporate name of the MCA. At the October Executive Committee Meeting, Staff was authorized to prepare several suggestions for consideration by the Executive Committee at the next meeting. While the designation "Manufacturing Chemists Association" has been in use for more than 100 years, the literal understanding of these words does not accurately reflect the membership of our industry association for today's man in the street. "Manufacturing Chemist" carries the connotation of an industrial term of art similar to "Purveyors to the Trade" and does not simply describe the role of our members.

The following suggestions have been discussed by Staff and are presented in the order of preference for Executive Committee consideration:

1. Chemical Manufacturers Association (CMA)
2. Association of Chemical Manufacturers (ACM)
3. Chemical Industry Manufacturers Association (CIMA)
4. Association of the Chemical Industry (ACI)

Associated with this issue is the related consideration of developing an appropriate logo for the organization. It is believed that deciding the Association's new name is necessary before any work can be done on a logo, since the Association's initials may be used in some fashion to develop the logo.

ACTION REQUIRED

Decision by the Executive Committee regarding MCA name change.

MCA
EC - 11/20/78

CMA 062178

Benzene Panel Charter

By action taken at its meeting on October 25, 1978, the MCA Benzene Panel has requested that its Charter be broadened to cover the regulation of benzene by agencies other than OSHA. The new Charter requested would read as follows:

Consistent with MCA practices and policies the Benzene Technical Panel will represent the interests of the members of the Manufacturing Chemists Association before Federal and State agencies in all matters relating to safety and health issues arising out of the production, re-action, release, packaging, repackaging, storage, transportation, handling or use of benzene.

The expanded Charter recognizes the fact that EPA, the Consumer Product Safety Commission, the Coast Guard, other Federal, and many State agencies are or will be engaged in the regulation of benzene.

Previously, the Benzene Panel has presented its OSHA arguments to other agencies and this has been technically within the scope of the old Charter. Now, however, the extent of potential regulation of benzene has become so broad that formal expansion of the Charter is appropriate.

It should be noted that the Benzene Panel as originally chartered has functioned as a Special Committee and will continue to function as a Special Committee under MCA's Bylaws. As such, it is fully subject to the "General Principles Applicable to the Structure and Operations of Committees." Accordingly, expansion of the Charter will still leave the activities of the Panel subject to MCA's advocacy policy and appropriate coordination and control by MCA's president, staff, and Executive Committee.