

AGENDA
MEETING OF THE MCA EXECUTIVE COMMITTEE
8:00 a. m., Tuesday, September 13, 1977
Washington Hilton -- Washington, D. C.

1. Report by the Secretary-Treasurer for Three Months Ended August 31, 1977.
2. Chemical Industry Trade Advisor.
3. Reconsideration of Request for Contribution to Equal Employment Advisory Council.
4. National Electrical Manufacturers Association Request for MCA Support of Council on Engineering Laws.
5. Directors and Officers Liability Insurance.
6. Proposed Dissolution of Joint Subcommittee on Environmental Law.
7. Extension to December 1979 for Secretariat of ASTM Committee E-15 on Analysis and Testing of Industrial Chemicals.
8. Continuation of Research Under Plastics Financial Package on Toxicity of Plastics Combustion Products.
9. Proposed Study of Insurance Alternatives.
10. Proposed Policy on Lobbying Reform Legislation.
11. Proposed Position on Pending Amendments to the National Labor Relations Act.

MINUTES OF MEETING
MCA EXECUTIVE COMMITTEE
The Washington Hilton, Washington, D. C.
September 13, 1977

Following breakfast at 8 a.m., the meeting was called to order by the chairman. There were present:

Edward Donley, Chairman	Richard E. Heckert
James G. Affleck	John M. Henske
William H. Bricker	Paul F. Oreffice
William J. Driver	Tom K. Smith, Jr.
John T. Files	William S. Sneath
Edward J. Goett	Robert A. Winslow

Lloyd N. Cutler, Outside Counsel
Bruce M. Barackman, Staff Counsel
George E. Best, Secretary-Treasurer

By Invitation:

Elwood P. Blanchard (Du Pont), SOCMA
W. C. Krumrei, The Procter & Gamble Company
C. Robert Powell, Diamond Shamrock Corporation

1. Financial Report for Three Months Ended August 31, 1977
Mr. Best reported the information shown in Exhibit A, adding that except for four resignations submitted after membership fee invoices were mailed, fees for the remaining 198 members have been paid in full.

2. Chemical Industry Trade Advisor Mr. Donley described the enlarged role of Myron Foveaux, now a full-time member of the MCA staff, as the deputy advisor and emphasized the necessity of arranging very soon for someone to serve in the senior position. In order to match the representation from other industries and to hold comparable status in contacts with government officials, it is essential that a chief executive of a major company be designated. Suggestions were invited.

3. Equal Employment Advisory Council A request by the Industrial Relations Advisory Committee for reconsideration of a proposal to contribute \$5,000 for continuing support of the Equal Employment Advisory Council was furnished in advance with the tentative agenda. Mr. Driver reviewed the reasons for its omission from this year's budget, namely, inability to respond even on a token level to the many solicitations bearing chemical industry interest and the impropriety of being arbitrarily

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selective. He reminded that traditionally the Association has not been used as a channel of contributing support for other organizations.

The thread of discussion wove a re-affirmation of the policy against using Association funds in support of other organizations (except where there is direct participation in their activities, exemplified by membership in the American National Standards Institute or the National Industrial Council of NAM), but that in justifiable instances a declaration of Association approval can be made and distributed to MCA members who would thus be encouraged to consider financial contributions.

There being no reason to question that the activities of the Equal Employment Advisory Council are meritorious and beneficial to the chemical industry, and also in recognition that the proposed contribution represents only a token manifestation, it was agreed to urge that the Industrial Relations Advisory Committee accept such endorsement and notification in lieu of any further monetary contribution.

4. Invitation to Support the Council on Engineering Laws

An invitation from the National Electrical Manufacturers Association, the substance of which was furnished in advance with the tentative agenda, to contribute to the support of the Council on Engineering Laws -- particularly for disseminating information relevant to state laws on the registration of engineers -- was declined on the same basis as in item 3 above.

5. Directors and Officers Liability Insurance

Mr. Driver referred to the cost estimations for such insurance furnished in advance with the tentative agenda. While it was felt that Directors and company representatives serving on MCA committees generally would be protected because such activities are an extension of their company responsibilities, it was recognized that the Association's officers -- especially staff officers -- should have such protection. It was agreed to authorize obtaining \$5,000,000 coverage, the cost estimate of which was \$3,500, giving consideration to a deductible higher than \$2,500 which was used in obtaining the cost estimate.

6. Dissolution of Joint Subcommittee on Environmental Law

Mr. Driver reviewed the unsuccessful trial of this joint subcommittee mechanism to provide legal assistance in reference to legislative and regulatory developments to the Air Quality, Solid Wastes Management, and Water Resources Committees. All concerned, with the Legal Advisory Committee concurring, have proposed it be abandoned. It was agreed to recommend Board approval of dissolution of the Joint Subcommittee.

7. Secretariat of ASTM Committee E-15 on Analysis and Testing of Industrial Chemicals

Appreciating the relevance of this activity to member company interests, the Executive Committee agreed to recommend Board approval of extending MCA provision of the secretariat of this ASTM committee through December 1979, as invited by ASTM.

8. Extension of Research on Toxicity of Plastics Combustion Products A proposal for \$43,680 funding, from the Plastics Financial Package, for extending this research at the University of Michigan, cooperatively supported by The Society of the Plastics Industry, was approved as described in the tentative agenda attachment. It was requested, however, that the Executive Committee be informed about the current objectives of this project and how much longer it is expected to continue.

9. Product Liability/Insurance Study Mr. Driver explained the Insurance Committee proposal for an assessment of insurance problems being encountered by member companies because of product liability exposure to be conducted by an expert consultant at a cost of \$25,000, details having been provided in advance with the tentative agenda. It was agreed to recommend approval at the Board meeting later today.

10. Policy on Lobbying Reform A proposed statement of principles bearing on current congressional consideration of lobbying law reform accompanied the tentative agenda. It was agreed to recommend approval at the Board meeting later today.

11. Labor Law Reform Mr. Driver highlighted various objectionable features of pending bills (S. 1883/H.R. 8410) for amending the National Labor Relations Act, an analysis of which was furnished with the tentative agenda along with a recommendation of the Industrial Relations Advisory Committee that MCA go on record in opposition, so advise member companies, and be supportive of broad-based industry organizations which are working actively against such legislation. It was agreed to recommend approval at the Board meeting later today.

12. Administrative Matters

(a) Arcell Case Approval was given to the recommendation of local counsel (Shanley & Fisher) to join the unions which represented American Can Company employees as third-party defendants, on the basis that they shared in responsibility for conditions bearing on occupational health and safety. It was agreed that MCA emphasis should be placed on equal treatment under the law, avoiding any anti-union context.

As a related matter, Mr. Bricker urged closer connection between the Executive Committee and the Industrial Relations Advisory Committee. Mr. Donley indicated this would be considered by the current study of the Association being carried out by the Special Review Committee.

(b) Liability Insurance/CHEMTREC and MCA Publications Mr. Driver related that the current \$20 million liability coverage expires on September 15, with renewal uncertain particularly in respect to publications.

Hearing Mr. Cutler's assertion that program discontinuance would not eliminate continuing risk, in view of what would probably be regarded as MCA's responsibilities on behalf of its members, there was only emphasis on doing all possible to secure continuing coverage.

At the same time, it was deemed appropriate for the Special Review Committee to assess the value to the chemical industry of both these program elements and make a judgment of the nature of protection to be afforded.

Also, Mr. Driver was requested to furnish a summary of MCA insurance coverage to the Executive Committee.

(c) MCA Annual and Regional Meetings

Mr. Donley

asked Mr. Henske as chairman of the Program Committee to consider adding more program substance to these meetings, with first attention to plans for the West Coast regional meeting in March 1978. Whereas only the morning of March 16 (Thursday) would continue the past pattern, Mr. Best was asked to explore whether Del Monte Lodge could accommodate a session on Friday morning as well.

(d) Senior Advisors on Occupational Safety and Health

Mr. Donley stated that Mr. Bricker had accepted the leadership in this area, with Messrs. Fleming (Air Products and Chemicals), Krumrei, and Taufen (Hercules Incorporated) assisting.

(e) Special Committee on Risk/Benefit Analysis

Mr. Donley said he had invited Mr. Krumrei to attend this meeting because of the latter's acceptance to chair this activity, with Mr. Goett assisting, generally along the lines earlier suggested by Mr. Cutler. Mr. Krumrei spoke of short-term problems in connection with regulations under the Toxic Substances Control Act, but also of the need to collect and disseminate data on which to base realistic risk and benefit evaluations.

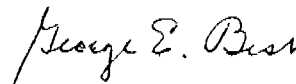
Mr. Cutler made reference to current interest at M.I.T., possibly in conjunction with Harvard University, toward establishing an Institute of Industrial Toxicology and an Institute of Industrial Epidemiology, to operate on a fee basis for services but also to be primarily for testing evaluation theories and techniques. Further discussion may take place in October, in which event Mr. Cutler will arrange for Mr. Krumrei to attend.

Mr. Driver mentioned a proposal which originated within the SOCMA membership for multi-industry participation and support by individual companies to provide for a single spokesman relating to such matters.

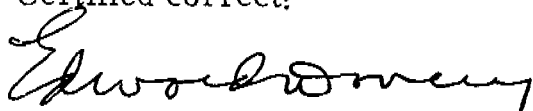
(f) National Commission on Air Quality It was urged that attempts be made to obtain chemical industry representation on this commission which was authorized in the recent amendment of the Federal Clean Air Act. Mr. Driver invited suggestions and Mr. Winslow as the Senior Advisor in this area was asked to develop some candidates.

(g) Toxic Substances Control Act Mr. Heckert urged that a record be developed on the economic consequences of this legislation on a continuing basis, in order for future testimony to be soundly based.

(h) MCA/CEFIC Liaison Referring to the acceptance to meet next with CEFIC representatives in Berlin on October 26, Mr. Driver reported that only Messrs. Barnes (Dow Chemical) and McNeeley (Eastman Kodak) so far had advised of planning to attend with him. It is understood that about 20 CEFIC representatives will be present.


George E. Best
Secretary-Treasurer

Certified correct:



Edward Donley, Chairman
Executive Committee

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER

September 13, 1977

Dollar amounts rounded from tabular details
(\$000)

INCOME & EXPENSE		Percent of
<u>June 1, 1977 - August 31, 1977 - 3 Months (25%)</u>		<u>Budget</u>
Income - Membership Fees	\$3,226	100.499%
- Other	134	24.820%
	\$3,360	89.602%
Expense - Operations	\$ 980	28.408%
- Project	40	11.386%
	\$1,020	26.814%

ASSETS

(As of August 31, 1977)

Cash	\$ 19
Investments	9,078
Miscellaneous	5
	\$9,102

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