A G E N D A

CMA EXECUTIVE COMMITTEE MEETING
9:00 a.m., Tuesday, May 4, 1982
CMA Headquarters, Executive Conference Room
Washington, D. C.

			TAB
9:00 a.m.	1.	Call to Order and Approval of Minutes of Meeting April 6, 1982 -- Chairman Simeral	1
9:01	2.	Treasurer's Report -- G. C. Herrman	2
9:05	3.	Report of Nominating Committee -- Paul F. Oreffice	
	4.	Association Activities:	
9:10		a. Report of the President (i) Termination of Hazards Communications Special Committee (ii) Executive Committee and Board Meeting Schedule for Fiscal 1982-83	3
9:15		b. Committee Appointments -- B. M. Barackman	
		c. Communications Activities:	
9:20		(i) Cambridge Reports: Public Opinion Survey Results -- William M. Metten, Jr., ICI Americas Inc.	
9:35		(ii) Report of Communications Committee -- M. C. Carpenter, The Dow Chemical Company	
10:20		d. Report of State Affairs Special Committee -- Richard N. Williams, Olin Corporation	
10:35	5.	Report of Technical Director -- G. V. Cox	4
10:45	6.	Report of Director of Government Relations -- W. M. Stover	5
10:55	7.	Report of General Counsel -- D. F. Zoll	6
11:05	8.	New Business	
11:15	9.	Adjournment	

MINUTES OF MEETING
CMA EXECUTIVE COMMITTEE
CMA Headquarters
2501 M Street, N.W., Washington, DC

May 4, 1982

1. The meeting was called to order at 9:00 a.m. by Chairman Simeral. There were present:

William G. Simeral, Chairman
Richard C. Ashley
Harry W. Buchanan
James B. Henderson
Richard J. Hughes
Paul F. Oreffice
L. John Polite, Jr.
Robert A. Roland

Bruce M. Barackman, Secretary
Gary C. Herrman, Treasurer
David F. Zoll, General Counsel

By Invitation:
*William P. Buckley, CMA
*M. C. Carpenter, The Dow Chemical Company
Geraldine V. Cox, CMA
John E. Dull, E. I. du Pont de Nemours & Company
*William M. Metten, Jr., ICI Americas Inc.
Victor H. Peterson, CMA
James H. Senger, Monsanto Company
William M. Stover, CMA
*Richard L. Wilson, CMA

*part time

2. Minutes of the Last Meeting — The minutes of the April 6, 1982 meeting, as distributed, were approved.

3. Treasurer's Report — Mr. Herrman's report is attached as Exhibit A. In addition, he advised:

- It appears that the Association will end the current fiscal year somewhat better than originally projected due to interest rates remaining at a higher level than expected and also due to the level of expenditure for research and consulting remaining substantially below budget.

- In regard to the special communications assessment, $3,503,500 has been received. Outstanding accounts receivable from nine companies total $16,700 of which it is assumed one half will be forthcoming. Another company has been added to the three previously reported as declining to pay.

- The Association should conclude the fiscal year in reasonably good financial condition, with future concern directed toward fiscal 1983-84 dues which will be based on chemical sales of calendar year 1982.

4. Report of Nominating Committee Reporting as Chairman of the Nominating Committee, on which Messrs. Simeral and Fernandez also served, Mr. Oreffice presented the slate in Exhibit B. The individuals named will be nominated at the Annual Meeting of the Association in June as candidates for election to the Board of Directors.

5. EPA/CMA Meeting Messrs. Oreffice and Simeral reported the results of a social luncheon meeting between representatives of CMA and EPA on April 30. The meeting was characterized as good and positive. Present, in addition to Messrs. Oreffice and Simeral, were Messrs. Roland and Fernandez, Mrs. Gorsuch, Ms. Lavelle, and Mr. Daniel.

In addition to the need for improving communications between EPA and the chemical industry, CMA expressed concern with the negative tone with which the news media treats EPA and Reagan Administration actions. The newspapers do not accurately reflect the nature of the efforts, or the results, of the Administration's reorganization programs.

Mrs. Gorsuch, while not requesting it, agreed that positive statements to the White House by industry spokesmen in support of EPA would be helpful, as would positive statements to the media when the occasion presents itself. She welcomes industry's support.

EPA is agreeable to further meetings with CMA to develop a constructive dialogue which could result in improving the Agency's effectiveness and its public image.

During the discussion following the report to the Executive Committee it was the consensus that:

- Member companies and CMA should make positive, objective, balanced statements in support of EPA both to the White House and the media.

- Mr. Roland will contact Mr. Daniel to discuss a procedure regarding communicating with EPA on an ongoing basis. This will include a mechanism for further meetings to carry on the dialogue now begun. Following discussion with Mr. Daniel, Mr. Roland will present a plan at the next meeting of the Executive Committee on how best to deal with this subject.

Mr. Stover then discussed legislative developments in the Congress regarding the Clean Air Act and the Clean Water Act. He was requested to develop a strategy, for consideration of the Executive Committee, concerning what CMA's posture should be if it appears that the treatment of Section 112 of the Clean Air Act is unacceptable to CMA.

5. Association Activities

(a) Report of the President

- Mr. Roland read excerpts from a letter from Mr. Krumrei who had many good things to say about CMA. Mr. Krumrei has severed his relationship with Procter & Gamble and has advised that Mr. Fred M. Wells, Vice President, Industrial Chemicals Division, has been named Executive Contact for the company. The Executive Committee accepted with regret Mr. Krumrei's resignation as Chairman of the Special Committee on Hazards Communications and concurred with his recommendation and that of the committee that it be phased out effective May 31, 1982. Its functions will be folded into the Occupational Safety and Health Committee.

- The schedule of meetings of the Board of Directors and Executive Committee for fiscal 1982-83, Exhibit C, was approved.

- Mr. Roland announced his appointment of Richard L. Wilson as Vice President, Communications. This was approved.

(b) Committee Appointments

Mr. Jorge L. Faz, Manager, Regulatory Compliance and Liaison, ARCO Chemical Company, was appointed to the International Trade Committee, replacing Mr. Rolande Widgery for the term ending May 31, 1985.

(c) Communications Activities

Mr. Carpenter advised that since the last Executive Committee meeting the Communications Committee has critiqued the whole program. He then introduced Mr. Metten who reviewed the public opinion survey results of the Cambridge Study, Exhibit D. Two principal conclusions drawn from the survey are: the print program is making a difference regarding attitudes concerning waste disposal and is an important element in the overall communications program; and it takes time to change attitudes.

Mr. Carpenter briefly reviewed the advertising expenditures of twelve trade associations, Exhibit E. He then presented the strong consensus of the Communications Committee for the following modifications in the communications program:

- In view of economic conditions, postpone indefinitely the TV expenditure level test even though it is considered to be a good program.

- Move $250 M from print advertising to two high priority areas --- media relations and a pilot regional communications program. It is believed that advertising effectiveness can still be maintained by staying with major news weeklies -- Time, Newsweek, U.S. News & World Report.

He then summarized the communications program as a well-integrated, cost effective program which, although it is only two years old, is getting results against a very negative environment. It is being implemented by good company people working enthusiastically with good CMA staff. The program needs to be long-range because attitudes aren't changed over the short term.

The Communications Committee will present a comprehensive plan for consideration by the Executive Committee at its meeting in August.

(d) Report of State Affairs Special Committee

Mr. Buckley's report is attached as Exhibit F.

7. Report of Technical Director Dr. Cox's report is attached as Exhibit G.

8. Report of Director of Government Relations Mr. Stover's report is attached as Exhibit H.

9. Report of General Counsel Mr. Zoll's report is attached as Exhibit I.

Bruce M. Barackman
Vice President-Secretary

Certified correct:

William G. Simeral, Chairman
CMA Executive Committee

EXHIBIT A

TREASURER'S REPORT

Eleven Months Ending April 30, 1982

This report will be prepared and distributed following the end of the month.

For your reference, the following is provided:

- The approved budget and funding for the fiscal year beginning June 1, 1981 and ending May 31, 1982.
- The approved budget for the separately funded Biomedical and Environmental Special Program area.
- A summary recap of the approved budget and funding for all Communications expenditures through CMA.

CMA
EC-5/04/82

CHEMICAL MANUFACTURERS ASSOCIATION
APPROVED BUDGET AND FUNDING FOR THE
Fiscal Year Beginning June 1, 1981 and ending May 31, 1982

	1981-82 Annual Budget
REVENUE:	
Membership Dues	$ 9,500,000
Investment Revenue	800,000
Meetings (Net of Expenses)	232,000
GENERAL OPERATIONS REVENUE	$10,532,000
ChemCAP Assessment @ 40% of Dues	3,800,000
Utilization of ChemCAP Assessment collected during prior year	160,000
TOTAL REVENUE	$14,492,000
PROGRAM AND MANAGEMENT EXPENSES:	
General Counsel	$ 760,600
Government Relations	722,400
International Trade Activities	222,300
State Activities Program	204,400
Communications Program	5,091,400
Technical Administration	181,200
Health, Safety & Chemical Regulations	734,300
Environmental Activities	662,500
Distribution, Energy, Engineering	417,600
Chemtrec	621,500
Outside Legal Fees	1,600,000
Outside Technical Consulting	1,166,800
Executive Department	1,222,100
Accounting, Purchasing & Building Services	469,200
Printing, Distribution & Computer Services	415,700
TOTAL EXPENSES	$14,492,000

AUTHORIZED PERSONNEL	147

Note: The above budget and funding does not include the activities and 14 staff of the separately funded Biomedical and Environmental Special Programs area.

CHEMICAL MANUFACTURERS ASSOCIATION
APPROVED BUDGET AND FUNDING FOR
BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS
Fiscal Year Beginning June 1, 1981 and ending May 31, 1982

	1981-82 Annual Budget	Budget Amendment*	1981-82 Annual Budget As Amended
REVENUE:			
Overhead reimbursement @ $500 per day	$ 641,300	$ 39,200	$ 680,500
Investment Revenue @ 9%	324,000	-	324,000
Less: Direct Credit of Investment Revenue to the Fluorocarbon Program @ 9%	(162,000)	-	(162,000)
Publication Sales	1,000	-	1,000
TOTAL REVENUE	$ 804,300	$ 39,200	$ 843,500
EXPENSES:			
Salaries & Related Expenses	$ 349,200	$ 29,400	$ 378,600
Employee Benefits	65,600	5,500	71,100
Travel & Staff Training	8,400	800	9,200
Dues, Subscriptions & Pubs.	1,200	200	1,400
Meetings & Workshops	800	100	900
Outside Printing, Artwork & Graphics	500	-	500
Direct Postage, Freight & Delivery	11,000	500	11,500
Direct Supplies & General Office Expense	25,800	500	26,300
Taxes & Insurance	27,300	2,200	29,500
Special Insurance	56,000	-	56,000
Rent & Occupancy	44,300	-	44,300
Common Cost Expenses	66,700	-	66,700
Administrative Support:			
Technical Administration	48,700	-	48,700
Office of General Counsel	74,100	-	74,100
Accounting	13,700	-	13,700
Printing & Distribution	11,000	-	11,000
TOTAL EXPENSES	$ 804,300	$ 39,200	$ 843,500
AUTHORIZED PERSONNEL	12	2	14

*The addition of a program administrator and secretary to the Special Programs staff was approved at the September, 1981 Executive Committee meeting.

CHEMICAL MANUFACTURERS ASSOCIATION
SUMMARY RECAP OF COMMUNICATIONS
EXPENDITURES
Fiscal Year Beginning June 1, 1981 and ending May 31, 1982

The following detail summarizes total funding and expenditures through CMA in the Communications Department. The portions funded by member dues and those funded by the special Communications assessment are presented both separately and as a combined total.

	1981-82 Approved Communications Budget	1981-82 Approved ChemCAP Budget	1981-82 Combined Communications Budget
PROGRAM FUNDING:			
Dues & Other General Revenue Required to support program	$ 1,131,400	$ N/A	$ 1,131,400
Communications Assessment @ 40% of Dues	N/A	3,800,000	3,800,000
Utilization of Communications Assessment collected during prior year	N/A	160,000	160,000
TOTAL FUNDING	$ 1,131,400	$ 3,960,000	$ 5,091,400
PROGRAM EXPENSES:			
Salaries & Related Expense	$ 555,800	$ *	$ 555,800
Employee Benefits	99,700	*	99,700
Travel & Staff Training	70,700	*	70,700
Dues, Subscriptions & Publications	9,200	-	9,200
Meetings & Workshops	9,900	-	9,900
News Materials/Workshops	-	86,000	86,000
Media & Public Relations	112,000	180,000	292,000
Community Committees	-	50,000	50,000
Public Opinion Poll	-	85,000	85,000
Outside Printing, Artwork & Graphics (net of sales of $170,000)	276,100	160,000	436,100
Audio Visual Material & Distribution (net of sales of $10,000)	-	150,000	150,000
Outside Publication Distribution	-	40,000	40,000
Speakers Program	-	20,000	20,000
Scientific/Academic Programing	-	50,000	50,000
Direct Postage, Freight, Delivery	142,500	60,000	202,500
Direct Supplies & General Office	11,000	-	11,000
Taxes & Insurance	46,000	*	46,000
Rent & Occupancy	87,100	*	87,100
Common Cost Expenses	123,500	*	123,500
*Administrative Allocation of Salaries, Benefits and Overhead Charges of Communications Personnel	(412,100)	412,100	*
PROGRAM EXPENSES EXCLUDING ALL ADVERTISING	$ 1,131,400	$ 1,293,100	$ 2,424,500
Print Advertising development, space costs, etc.	-	2,631,900	2,631,900
SUB - TOTAL	$ 1,131,400	$ 3,925,000	$ 5,056,400
T.V. Ad Test	-	35,000	35,000
TOTAL PROGRAM EXPENSES	$ 1,131,400	$ 3,960,000	$ 5,091,400

EXHIBIT B

NOMINATING COMMITTEE REPORT
For Year Beginning 6/1/82

Chairman of the Board	William G. Simeral
Vice Chairman of the Board	Edwin C. Holmer
Chairman of the Executive Committee	Louis Fernandez
President	Robert A. Roland

DIRECTORS

Term Ending May 31, 1985

Richard G. Askew, President, Phillips Chemical Company
A. A. Burris, Jr., Chairman of the Board and CEO, Burris Chemical, Inc.
John T. Files, Chairman of the Board, Merichem Company
Alec Flamm, President, Union Carbide Corporation
Joseph P. Flannery, Chairman of the Board and President, UNIROYAL, Inc.
Vincent L. Gregory, Jr., Chairman of the Board and CEO, Rohm and Haas Company
Robert W. Gutheil, President, Borden Chemical Division of Borden, Inc.
T. Marshall Hahn, Jr., President, Georgia-Pacific Corporation, Chemical Division
Ben C. Hayton, President, Texaco Chemical Company
Fred W. Montanari, Executive Vice President, NL Industries, Inc.
Toy F. Reid, Executive Vice President, Eastman Kodak Company
David L. Rooke, Executive Vice President, The Dow Chemical Company
Vincent A. Sarni, Senior Vice President, PPG Industries, Inc.
Harold A. Sorgenti, President, ARCO Chemical Company, Division of Atlantic Richfield Company
Edward A. Von Doersten, President, Ashland Chemical Company, Division of Ashland Oil, Inc.

Term Ending May 31, 1984

Harry Corless, President and CEO, ICI Americas Inc.
M. Whitson Sadler, President and CEO, Soltex Polymer Corporation

Term Ending May 31, 1983

Wilbert J. Magers, President, Sun Refining and Marketing Company

CMA
EC-5/4/82

EXHIBIT C

CHEMICAL MANUFACTURERS ASSOCIATION

SCHEDULE OF MEETINGS FISCAL 1982-83

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

1982

Monday	August 30	8:00 a.m.	Board of Directors
		1:00 p.m.	Executive Committee
Tuesday	August 31	9:00 a.m.	Board of Directors Silverado Country Club** Napa Valley, CA
Monday	October 4	1:30 p.m.	Executive Committee
Tuesday	October 5	9:00 a.m.	Board of Directors Palmer House Chicago, IL

1983

Monday	January 10	8:00 a.m.	Board of Directors
		1:00 p.m.	Executive Committee
Tuesday	January 11	9:00 a.m.	Board of Directors Ocean Reef Club** Key Largo, FL
Monday	March 7	9:00 a.m.	Finance Committee
Tuesday	March 8	9:00 a.m.	Executive Committee CMA Headquarters Washington, DC
Tuesday	April 5	9:00 a.m.	Executive Committee
		2:00 p.m.	Board of Directors CMA Headquarters Washington, DC
Tuesday	May 3	9:00 a.m.	Executive Committee CMA Headquarters Washington, DC
Wednesday	June 8	4:00 p.m.	Executive Committee
		6:00 p.m.	Board of Directors The Greenbrier White Sulphur Springs, WV

**Indicates meetings to which spouse is invited.

CMA
EC-5/4/82

EXHIBIT D

CAMBRIDGE STUDY
PUBLIC OPINION SURVEY RESULTS

PERSONAL CONCERN FOR WASTE DISPOSAL:	1982		1981	
	Exposed	Unexposed	Exposed	Unexposed
Concerned (Very/Somewhat)	98%	94%	96%	94%
Not Concerned At All (Not Very/Not At All)	2%	6%	3%	6%

This question measures the importance of one of the five designated areas of what the chemical industry is doing to manage chemicals. The response that we got confirms that waste disposal continues to be the most important activity area and that placing the most communications emphasis on this area is warranted. Second, we learn that any pre-existing difference in the attitudes of our exposed and not exposed groups are negligible. This means that such a topic is of major importance to people whether or not they are likely to be readers of our communications.

INDUSTRY CONCERN FOR WASTE DISPOSAL:	1982		1981	
	Exposed	Unexposed	Exposed	Unexposed
Concerned (Very/Somewhat)	64%	46%	54%	45%
Not Concerned At All (Not Very/Not At All)	35%	52%	45%	52%

In the past, one of the disturbing and significant findings in studies like this one has been that the areas that concern the public most are those about which the public believes the industry may be least concerned. It is therefore reassuring to see that print communications can close this gap among those exposed to it.

INDUSTRY EFFORT ON WASTE DISPOSAL:	1982		1981	
	Exposed	Unexposed	Exposed	Unexposed
Effort (A Lot of/Some)	72%	59%	66%	59%
No Effort (Only A Little/ Hardly any)	27%	38%	32%	35%

Likewise, those exposed have more favorable opinions as to what the industry may actually be doing to manage hazardous waste disposal.

CMA
EC-5/4/82

SUMMARY

INDUSTRY ASSOCIATION 1981 ADVERTISING EXPENDITURES

		1981 Budget (in millions)
1.	American Gas Association	$9.0+
2.	Blue Cross/Blue Shield Association	$7.5
3.	Savings & Loan Association	$6.5
4.	Edison Electric Institute	$6.0
5.	American Council of Life Insurance	$5.8
6.	American Bankers Association	$5.3
7.	American Dairy Association	$3.0
8.	American Egg Board	$3.0
9.	Chemical Manufacturers Association	$2.5
10.	Association of American Railroads	$1.9
11.	American Trucking Association	$1.9
12.	American Forest Institute	$0.8*

* Planned budget. Cancelled advertising during year due to recession.

Source: Published Material

CMA
EC-5/4/82

AMERICAN GAS ASSOCIATION

1981 ADVERTISING BUDGET: $9,000,000+

MEDIA: Television. Some print.

OBJECTIVES:	RESULTS:
To assure the gas industry's customers and key publics on the future availability of natural gas.	Opinion Research and Yankelovich tracking studies show that the public is significantly less concerned about gas availability than two years ago.
To increase conservation by encouraging customers to install new, more efficient gas appliances and equipment and to use all energy wisely.	Weather adjusted A.G.A. figures show residential, commercial and industrial customer average usage declined from 9% to 20% in the period 1973 to 1979, the most recent year for which figures are available. Yankelovich data shows a significant upturn in consumers' intention to buy gas appliances.
To make energy users aware that despite the rising cost of all energies, gas is and will remain the consumer's best energy value.	Research shows wide recognition among residential users that gas is the most economical fuel and will remain so in the future.

CMA
EC-5/4/82

During the week of February 7, the legal department consulted with members of the steering committee of the Ad Hoc Group on the issue of whether it would be appropriate for Kirkland & Ellis to develop a draft section of the brief raising constitutional issues. We determined that it would be appropriate for Kirkland & Ellis to draft, for the group's review, an argument that the government's allegations of strict, joint and several retroactive liability in the context of the facts at hand would be constitutionally impermissible. The intent of such an argument would be to produce a more reasonable judicial interpretation of the retroactive provisions in order to avoid the constitutional questions.

(b) Wade. The legal department is working with Kirkland & Ellis to prepare an amicus brief in the government's appeal to the Third Circuit of the Wade decision. United States v. Wade, 546 F. Supp. 785 (E.D. Pa. 1982).

In the district court opinion which the government is appealing, the judge interpreted CERCLA in a way which is highly favorable to off-site, non-negligent generators at waste sites. He ruled that the government could not force -- through administrative order or litigation -- such off-site generators to perform remedial action or to fund remedial action. He ruled instead that the government may seek to force such performance or funding from site owner/operators, and to the extent such funding is unavailable or inadequate, the government's remedy is to perform the remedial work itself using Superfund resources. Once such work is performed, it could then seek reimbursement against off-site generators and others under CERCLA's liability provisions.

CMA believes that this interpretation is correct and is in the best interests of off-site generators. We strongly supported this interpretation in the six chapter Kirkland & Ellis book on key Superfund liability issues distributed to the membership on December 30. (See especially chapter 4.)

[redacted]

4. EPA's Proposal of 418 Priority Sites. On December 30, 1982, EPA proposed its "National Priorities List" (NPL) of 418 sites under CERCLA (47 Fed. Reg. 58476). It solicited written comments with a deadline of February 28, 1983.

EXHIBIT F

REPORT TO THE CMA EXECUTIVE COMMITTEE
ON
THE STATE AFFAIRS PROGRAM
May 4, 1982

William P. Buckley

The State Affairs Planning Group will hold its next meeting to further consider the present and future issues and direction of CMA's State Affairs program, and the resources to deal with these.

Evaluating these issues is like trying to hit a moving target at times - they are constantly changing. What was of predominant interest one year, may be supplanted by another issue the following year or a new twist of an old issue may come to the forefront. We will be re-evaluating our current issues to establish their viability within our program. Also, we will be examining issues that we should be addressing in the future. Examples of these are: alternatives to disposal treatment of hazardous waste, liability, public right-to-know, product liability, trade secret protection and the burgeoning regulatory area.

Re-assessment of the three basic functions of the program are under way. They are:

Identification of issues
Policy development
Delivery mechanism

The data base system that we presently subscribe to, although not ideal, provides us with the best coverage available. Our goal is to develop a much more refined and lower cost system. We will analyze our demands on the other CMA departments and report later.

The CICs are an ever-evolving structure and our purpose is to audit and evaluate each one by strengths, weaknesses, sophistication, and the like. Through another review of the states we will propose where other CICs should be developed.

The greatest area of dollar impact is in the delivery system. The group plans to evaluate all alternatives of delivery, including how other trade associations in the chemical field function in the states. We also intend to review our networking, member company involvement and CMA staff requirements for administering the program.

Presently, the CMA State Affairs program is the best the chemical industry has to date. We have fifty-state involvement, excellent company cooperation, and good interaction with allied trade associations and national state groups. The program works.

CMA
EC-5/4/82

EXHIBIT G

REPORT OF THE TECHNICAL DIRECTOR

Technical Department presentations:

- Environmental Protection Agency Seminar Luncheon, Washington, DC. Topic: Women in Science. By: G. V. Cox
- Ohio Chemical Council, Columbus, OH. Topic: New Federalism. By: G. V. Cox
- Louisiana Chemical Council Press Club Luncheon, Baton Rouge, LA. Topic: Good Science. By: G. V. Cox
- Virginia Towing and Recovery Operators, Newington, VA. Topic: CHEMTREC. By: C. A. Wallis
- Ohio Safety Congress, Columbus, OH. Topic: CHEMTREC. By: C. A. Wallis
- 1982 Hazardous Material Spills Conference, Milwaukee, WI. Topic: Emergency Response -- A Changing Industry Attitude. By: J. C. Zercher
- CBS Sunday Morning News, New York, NY. Topic: Hazardous Waste Disposal. By: J. J. Mayhew
- Georgetown University Law Center, Washington, DC. Topic: The Chemical Manufacturers Association. By: D. W. Carroll
- Colgate University Washington Study Group, Washington, DC. Topic: Amending the Clean Air Act. By: D. W. Carroll
- 1982 Hazardous Material Spills Conference, Milwaukee, WI. Topic: Vice Chairman of "Prevention" Session. By: R. R. Romano

The Technical Director conducted four television, six radio, six newspaper, and two magazine interviews while in Washington, DC, Milwaukee, WI, and Columbus, OH. The CHEMTREC Director made four television, two radio, and four newspaper interviews while in Kansas City and Milwaukee.

CHEMICAL TRANSPORTATION EMERGENCY RESPONSE CENTER (CHEMTREC

Approximately 110 people attended a CHEMTREC Workshop in Philadelphia, PA. This is the last of the current series. A new series is being evaluated for fiscal year 1982-83.

DISTRIBUTION, ENERGY AND ENGINEERING DIVISION

Distribution

- Distribution Committee representatives and staff met with key Senate and House staff and the Administration to present arguments in favor of a balanced approach to amending the Shipping Act of 1916. Legislation (S. 1593 and H.R. 4374) continues to be strongly carrier-oriented but this may be changed with Administration support. We are continuing efforts to develop suitable alternatives which would be acceptable to shippers and carriers.

- The Materials Transportation Bureau (MTB) of the Department of Transportation (DOT), was substantially affected by recent staff reductions. Although CMA favors reducing the size of government, CMA is seriously concerned.

  - that MTB may be less able to operate effectively, particularly in dealing with increased state and local government proposals that may be severely restrictive to chemical shippers, and

  - that strong US representation at international meetings may be disrupted, consequently affecting the movement of US chemicals in international trade.

  Discussion with key DOT staff and others continues in an effort to assure that any resulting organization recognizes the needs of the chemical industry.

- CMA has developed model "Good Samaritan" legislation, pertaining to hazardous materials incidents in transportation. The State Affairs Group will encourage states to adopt this legislation.

- Comments were submitted to the Interstate Commerce Commission (ICC) on their discussion memorandum covering determination of rail costs. Accurate determination of rail costs is essential to establish ICC jurisdiction over freight rates charged to captive chemical shippers.

- In a proceeding to establish coal rate guidelines, the ICC requested comments on the appropriateness of

CMA 064480

adopting "Ramsey pricing" -- a concept that would allow higher rail rates when competitive transportation service is not available. Because CMA's member companies are significant users of rail, our comments opposed the use of Ramsey pricing for any purpose connected to freight rate determinations.

- CMA and other concerned shippers are challenging ICC's cost index for rail cost recovery procedures. CMA is opposing the cost index before the Court of Appeals because it would include noncost items (profit) and would ignore productivity gains.

Energy

- On March 23, CMA testified before the Senate Committee on Energy and Natural Resources to encourage Congress to amend the Natural Gas Policy Act. We urged Congress to endorse phased total decontrol of natural gas wellhead ceiling prices by a certain date, along with the coordinated removal of market restrictions (such as incremental pricing, Fuel Use Act prohibitions and limited access to gas supplies).

- President Roland held a press conference to unveil the results of the CMA analysis of ten major studies on the decontrol of natural gas. The study was prepared by Foster Associates, Inc. We also held briefings on the study for more than 90 Congressional staffers. We feel that these actions sent a signal to the White House that a vitally important consumer group favors decontrol. It also shows that CMA will continue educational efforts to build a strong case for decontrol when the subject comes up next year.

- CMA wrote to C. M. Butler, III, chairman, Federal Energy Regulatory Commission (FERC) supporting FERC efforts to address market ordering problems (regional price distortions) under the Natural Gas Policy Act. Subsequent meetings with FERC staff reinforced our view that new legislation is the first priority because FERC actions will be time consuming and will ultimately end in litigation.

- Murray Weidenbaum, chairman of the Council of Economic Advisors, told the Chemical Forum, March 9, that the "time is right" for an oil import fee to be imposed, since oil prices are depressed. We expressed our opposition to a fee in a letter to President Reagan, in discussions with key members of Congress, and in an April 15 press release.

- CMA wrote the House and Senate Energy Committees expressing the view that a market-oriented plan, such

as an auction, should be used to distribute supplies from the Strategic Petroleum Reserve if the President declares a petroleum supply emergency.

Engineering

- On recommendation of the Engineering Advisory Committee, CMA submitted comments supporting a proposal to establish a Standards Developers Council within the American National Standards Institute (ANSI). Present ANSI councils (organizational member, company member, consumer, etc.) do not adequately represent the organizations directly responsible for standards development, the most important function in standardization.

- CMA representatives submitted ballots on 1,570 proposals for revision of the 1981 National Electrical Code, after participating in panel meetings where panel positions on the proposals were developed. CMA representatives voted against the panel positions on 74 of the 1,570 proposals for economic, safety and editorial reasons. Over $50 million a year in additional cost to the chemical industry is at stake, barring unlikely acceptance of certain proposals which would greatly increase this amount. Savings will depend on how successful CMA is in defeating outside proposals and in securing adoption of its own proposals. The CMA proposals foster savings of $5 million a year.

- CMA determined that deficiencies in pressure relief systems are being adequately dealt with by the American Institute of Chemical Engineers and by the American Petroleum Institute.

- CMA wrote to the Board of Standards Review of the American National Standards Institute about questionable procedures used by Underwriters Laboratories (UL). We objected to UL's solicitation of affirmative canvass votes on the basis that changes to their standards will be proposed, not that they will necessarily be made. We also objected to UL's proposing as American National Standards certain standards that conflict with existing American National Standards.

ENVIRONMENTAL PROGRAMS

General Programs

- The EMC April meeting featured a dialogue session on hazardous waste management with Rita Lavelle and Bob Perry of EPA. A second session featured Dr. John Higginson's presentation on human health research.

- The EMC has directed the Environmental Economics Task Group to update CMA's 1976 pamphlet on environmental costs for member company installation of pollution controls in air, water, and solid waste.

Air Programs

- The Process Emission Regulations Task Group has developed a testing program for flare systems that is forming the basis for a CMA/EPA-sponsored test program to demonstrate the emissions control efficiency of flares.

- CMA has received SRI International's final report on the reanalysis of the health and environmental data bases developed during the Houston area oxidant study.

- The Clean Air Act Revisions Task Group continued to monitor and to provide assistance/guidance to our Government Relations counterparts concerning the mark-up of H.R. 5252 and the Senate mark-up of the existing statute.

Solid Waste Programs

- The Resource Conservation and Recovery Act (RCRA) Regulations Task Group developed testimony for CMA presentations before Congressman Florio's Oversight hearings on RCRA.

- CMA organized an ad hoc group to respond to the Environmental Protection Agency's (EPA) advance notice of proposed rulemaking on national revised primary drinking water regulations and volatile synthetic organic chemicals in drinking water. The group is comprised of members from the Environmental Management Committee (EMC), the Chemical Regulations Advisory Committee, and Special Programs.

- EMC has reviewed a possible settlement of litigation, which CMA is a party to, challenging EPA's regulations for permitting of hazardous waste incinerators.

- The Solid Waste Siting and Permitting Task Group has drafted a series of policy papers on key siting and permitting issues for ultimate use in the states.

Superfund Programs

- The Superfund Task Group has completed comments for submittal to EPA on proposed revisions to the National Contingency Plan.

- The ad hoc Waste Disposal Advisory Group reported to the EMC on the need for a long-term program and policy concerning hazardous waste disposal and landfills.

Water Programs

- The Water Quality Criteria and Research, and the Water Quality Standards Task Groups have participated in a dry run of the revised water quality criteria and standards state affairs seminars. The seminars now include an EPA presentation. The regional seminars will be held on May 11, 12 and 13 in Washington, DC, Kansas City, MO, and San Francisco, CA, respectively.

- The Effluent Guidelines Task Group made a presentation to EPA on the findings of the CMA-sponsored report, prepared by Engineering Science, on the cooperative CMA/EPA five-plant study of the removal efficiency of biological treatment systems.

- EMC has reviewed the necessity for filing a petition for certiorari to the Supreme Court on the jurisdictional issues of the NPDES litigation until after the Court of Appeals rules on the substantive issues.

- The Water Quality Criteria and Research Task Group sponsored a peer review of the CMA-sponsored research to develop a computer model on "The Fate of Chemicals in the Aquatic Environment."

- The Water Policy Task Group is providing assistance/guidance to our Government Relations counterparts concerning possible legislative revisions this year to the Clean Water Act.

HEALTH, SAFETY AND CHEMICAL REGULATIONS DIVISION

Chemical Regulations Advisory Committee (CRAC)

- The Impact Analysis Task Group made its second revision of a draft proposed questionnaire being developed to demonstrate what the chemical industry has done to reduce significant risk of injury to health or the environment. The task group determined that Congress, OMB, EPA, the public, CMA's membership and

the chemical industry should be the target audience. The proposed questionnaire addresses hazard assessment, communications, control and policy, and organization.

- EPA has nearly completed the final draft of a proposed rule that would exempt low-volume chemicals and site-limited intermediates from TSCA's premanufacture notification (PMN) requirements. A proposed rule is expected in the Federal Register in May. A similar proposal for polymers is expected in June.

- CMA has voiced a concern to the US Trade Representative's Office (TRO) over the lack of confidentiality provisions for chemical identity in the European Economic Community inventory reporting requirements. EPA provided such protection for European exporters when it constructed the US inventory of chemical substances. CMA is preparing a proposal for the TRO that will address the problem.

- On March 18, CMA submitted comments on the TSCA Section 4 voluntary testing process, suggesting some modifications to improve the process.

- On March 8, CMA submitted comments to EPA on controlling the disposal of TCDD wastes under TSCA. CMA recommended that EPA control disposal of these wastes under RCRA, Section 3004.

Occupational Safety and Health

- On April 5, CMA submitted comments on the Occupational Safety and Health Administration's (OSHA) Carcinogen Policy, highlighting the critical factors that a policy must address.

- The Occupational Safety and Health Committee (OSHC) will prepare CMA comments to OSHA on access to records and the use of personal sampling devices during an inspection.

- The Committee also will develop a proposed CMA position on the Miller bill (H.R. 5735). It deals with compensating employees for disabling occupational illness resulting from workplace exposure to asbestos or uranium ore. The bill also provides a mechanism for covering future occupational diseases.

- Winners of the Lammot DuPont Safety Award, to be presented at the CMA Annual Meeting, are Velsicol in the over two million exposure hours category and Dixie in the small company group. An innovation this

year will be to send certificates to runners-up in the respective categories -- Hooker and Nipro.

- OSHC will sponsor a conference this fall on managing reproductive hazards in the workplace.

- The committee will further refine its questionnaire on worker education and distribute it to member companies.

- The National Institute for Occupational Safety and Health (NIOSH) has revised the protocol for its control technology study as we requested. CMA will again urge members to cooperate with the Institute by providing data on successful sealing devices.

- On March 23, 1982, OSHC presented testimony at an OSHA hearing on Hearing Conservation Amendment to the Noise Standard.

- An OSHC Informational Meeting was held April 29, in Arlington, VA.

Hazards Communications Special Committee (HCSC)

- HCSC is developing comments to OSHA's proposal for a "Hazards Identification" standard. Comments are due May 15, and written testimony is due June 1. OSHA will begin hearings in Washington, DC on June 15.

Regulatory Impact Special Committee (RISC)

- Jackson Browning, RISC chairman, and CMA staff executives met with Joseph A. Cannon, Acting Associate Administrator for Policy and Resource Management for the EPA to discuss EPA's draft guidelines for implementing Executive Order (EO) 12291. CMA recognized that the draft guidelines provide a valuable and necessary framework for regulatory impact analysis, but suggested that more detailed guidance would be helpful in implementing EO 12291. RISC will continue reviewing EPA's draft guidelines and will propose additional modifications to EPA before the guidelines are sent to the Administrator.

- The Exposure Assessment Work Group reviewed EPA's draft "Exposure Assessment Guidelines and Handbook". Comments were presented to EPA's Science Advisory Board on April 23, focusing on reorganization of the documents into a more usable format.

- The Definitions Work Group modified its definitions of "costs", "toxicity", and "exposure". The work group also developed a preliminary outline for

quantifying and monetizing cost impacts and benefits.

- The Public Acceptance of Risk/Cost/Benefit Analysis Work Group discussed judicial, legal, public and private perceptions of regulatory impact analysis. The work group also examined optimization within economic theory and how it relates to the linear programming model that EPA uses to set priorities.

- The Regulatory Impact Analysis Work Group reviewed the benefits section of OSHA's labeling rule regulatory impact analysis, observing that regulatory impact analyses could be biased to yield specific answers. The work group will support CMA's Hazards Communications Special Committee as it develops comments for a June 15 hearing on the proposed ruling.

BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS

Status of Environmental Test Program

- The Environmental Test Program is progressing smoothly. Range finding LC_{50s} are complete for all Phase 1A tests at Bionomics. The Environmental Research Task Group (ERTG) has reached agreement on an analytical validation program. The Bionomics contract was modified accordingly.

- The contract with Syracuse Research Corporation (SRC) for analytical validation has been modified to include GC/MS and interlaboratory validation. The semicontinuous activated sludge test at SRC is being modified.

- A status report was submitted to EPA on March 22.

Status of Health Effects Test Program

- Tenneco has published mutagenicity data in abstract form for DEHP, MEHP and 2-EH. Tenneco is not a member of the Panel. The Panel asked EPA to consider whether we need to repeat the studies published by Tenneco. The Panel also asked EPA to consider modification in the test protocols to which EPA agreed.

- The Toxicology Research Task Group met on March 2. Final protocols for mutagenicity studies were received from Litton, reviewed and accepted. Midwest Research Institute (MRI) has begun biological tests on DEHP and DEHA.

- The Food and Drug Applications Task Group (FDATG) met and discussed revisions to the economic impact analysis report prepared by Heiden,Pittaway Associates (HPA). The comments were sent to HPA. The FDATG submitted a letter to the Food and Drug Adminstration (FDA) requesting a meeting to clarify FDA's comments on the CMA Voluntary Test Program.

- The Industrial Relations Liaison Task Group (IRLTG) met with a representative from NIOSH. NIOSH wants to collect industrial air samples from plasticizer user plants and eventually identify a cohort for an epidemiology study. The IRLTG gave NIOSH a published list of plastics producers and indicated which ones produced flexible polyvinyl chloride (which contains phthalates). They pointed out that workers exposed to phthalates would also be exposed to vinyl chloride and this would be a confounding variable in any mortality study. The IRLTG further discussed possible sources of contamination during sample collection and analysis. The information discussed at this meeting was documented in a letter to NIOSH, dated March 21, 1982.

- The IRLTG wrote a letter to the Consumer Product Safety Commission (CPSC) consisting of two parts; the first part states that contrary to what CPSC is telling the press, the Panel does not agree with the research program being conducted at CPSC and has serious reservations on both the validity of the program and the utility of the data. The second part consists of detailed comments on the protocols being used by CPSC.

- CMA requested that NIEHS provide a status report on their mutagenicity testing on phthalate esters.

Special Programs Advisory Committee

- The Special Programs Advisory Committee (SPAC) approved an EDB Advocacy Program and a new program on toluenediamines. They also reviewed the arsenic, ketones, PCBs, glycol ethers, vinyl chloride and styrene programs.

Alkanolamines

- CMA received a request from Dow Chemical to undertake a special program on alkanolamines. This class of chemicals is widely used in synthetic cutting fluids, and in commercial cosmetics.

- The major scientific issue facing the alkanolamine industry is a 1978 Japanese feeding study indicating

that triethanolamine is a suspect carcinogen in mice. Personal care product manufacturers have since then been asking the producers to develop data to substantiate or refute the Japanese study.

- Six different alkanolamines have been recommended to be included in the scope of the Panel's activities: monoethanolamine, diethanolamine, triethanolamine, monoisopropylamine, diisopropylamine, and triisopropylamine. Currently, five US companies manufacture alkanolamines: Dow Chemical USA, ICI Americas, Olin Corporation, Texaco Chemical Company, and Union Carbide Corporation.

- The initial activity of the program panel will be to review the existing literature and to undertake additional toxicity testing where indicated.

Arsenic

- On April 8, OSHA issued a notice of limited reopening of the inorganic arsenic rulemaking record. Comments are due to OSHA by June 18. An informal hearing is scheduled for July 13.

Butylated Hydroxytoluene (BHT)

- CMA polled the Panel and will file a Freedom of Information Act (FOIA) request for comments on the proposed interim regulation on BHT in order to determine what testing is likely to be required.

Chlorobenzenes

- A draft final report on a teratology study of orthodichlorobenzene conducted at the Dow Toxicology Research Laboratory was submitted to CMA. The report is presently under review by the Toxicology Research Task Group.

Epoxy Resins

- Mr. Flegenheimer, chairman of the Epoxy Resins Program, met with Mr. Steven Newburg-Rinn of EPA and discussed the status of EPA's activity in responding to the ITC's recommendation pertaining to testing glycidol and its derivatives. EPA intends to issue a notice for public hearing within two months. EPA is seeking information which can be used in developing a risk assessment and recommendations on how this class of chemicals can be broken down for evaluation.

Ethylene Dibromide (EDB)

- The Panel met with several OSHA staff members and discussed various issues relating to a revised occupational standard for EDB. The Panel learned that OSHA recognized the impracticality of establishing a ceiling at the same level as the time-weighted average (TWA). In addition, OSHA seemed amenable to establishing a standard which considered the use of respiratory equipment. OSHA is extremely interested in receiving information on the economics of achieving various TWA levels.

- Based upon requests from several associations of citrus growers, OSHA extended the comment period on the EDB ANPR by an additional 60 days.

- The National Institute for Occupational Safety and Health (NIOSH) has sent letters to all domestic companies represented on the Panel indicating that NIOSH is exploring the possibility of conducting a reproductive study of workers exposed to EDB. CMA will set up a meeting with the Panel and NIOSH to discuss the need and feasibility of obtaining useful information in such a study.

Ethylene Oxide (EO)

- The Ethylene Oxide Industry Council (EOIC) submitted comments on the OSHA advance notice of proposed rulemaking to the Agency on March 31, 1982. Industry supports lowering of the EO workplace standard based on a scientific risk assessment.

- A preliminary report on an industry cytogenetics study was released on March 30. Employees at three plant locations operated by Johnson & Johnson were examined for chromosomal changes in cells in the circulating blood. Potentially exposed workers in a plant where exposures were estimated to be relatively high showed a statistically significant increase in chromosomal changes which persisted following six months without exposure. The study is continuing with blood testing at six-month intervals. The study should be completed within one to two years. The preliminary report was submitted to NIOSH, OSHA, EPA, HIMA, and CMA.

Fluorocarbons

- Dr. J. M. Steed of DuPont, chairman of the Fluorocarbon Program Panel (FPP), organized and chaired a session on ozone depletion at the American Chemical Society meeting in Las Vegas, Nevada on April 1,

1982. Three CMA investigators reported on the first three years of data from the Atmospheric Lifetime Experiment at this meeting.

- The National Academy of Sciences' (NAS) report "Causes and Effects of Stratospheric Ozone Reduction: An Update," was released on April 1, 1982.

  - In most respects, the report is well done. The calculated ozone depletion, due to CFCs over 100 years from now, is between five and nine percent compared with the 15 to 18 percent reported in the 1979 NAS report. However, there is increased concern about the effects of increased ultraviolet radiation on skin cancer for each percent depletion of ozone. CMA/FPP will critique the report.

- Dr. F. S. Rowland, one of the originators of the ozone depletion theory, will publish a paper in Geophysical Research Letters claiming that CFC-12 production figures published by CMA were in serious error. An advance press release, embellished by personal press contacts by Dr. Rowland, received international attention. Prompt action by the Fluorocarbon Program Panel and CMA permitted CMA to refute the claims by Dr. Rowland.

- EPA has officially committed $200,000 in an interagency agreement with the National Oceanic Atmospheric Administration for automating ozone measurement instruments. CMA will commit $80,000 to this project if the additional funding of $54,000 can be found to meet the estimated requirement of $334,000.

- CMA and the Panel critiqued the National Aeronautics and Space Administration (NASA) report to Congress "Present State of Knowledge of the Upper Atmosphere: An Assessment Report."

- CMA and the Panel critiqued the WMO/NASA report "The Stratosphere 1981: Theory and Measurements."

Glycol Ethers

- A position paper on regulatory strategy development was written.

- Dow filed an information letter with EPA on methoxyacetic acid. This compound, which is a major metabolite of ethylene glycol monomethyl ether (EM), causes testicular atrophy of the same type and in the same time frame as EM.

- A research status report was completed and sent to user companies. This report will be updated and reissued quarterly.

- CMA received a document from P. Berteau at the California Health and Welfare Agency which summarizes the literature on the glycol ethers. This document could be used as the basis for regulatory guidelines in California. CMA sent a copy of the research status report and 90-day final report to Dr. Berteau. The Panel and Mr. Wine are preparing comments on the draft.

- The National Paint and Coatings Association (NPCA) is undertaking a program to set workplace standards and to determine the extent of consumer products exposure for glycol ethers. The research status report and 90-day final report were sent to NPCA.

- The final report for the 90-day inhalation study on EM conducted at Dow was accepted and sent to seven regulatory agencies.

- The research status report and 90-day final report were sent to Mr. Erlickman of NIOSH, who is preparing a Current Intelligence Bulletin on EM and EE.

- The Panel will comment on the EPA Chemical Hazard Information profile.

- The Toxicology Research Task Group (TRTG) met on March 30 and decided that the teratology study on ethylene glycol monobutyl ether should include two species -- rat and rabbit. The comparative assessment discussion was tabled since the group could not agree on the goal. Each TRTG member will send the chairman a list of the three to five most important objectives from his company's viewpoint.

Ketones

- A site visit was made to Bushy Run Research Center to audit the nine-day probe study and to monitor the 90-day inhalation study. Exxon's audit group performed the audit. However, Exxon cannot provide the personnel for future audits and the Panel will decide on the future course of audits.

- The TRTG completed protocols for the mutagenicity batteries and teratology study proposed to EPA as part of the voluntary test program on methyl ethyl ketone and methyl isobutyl ketones. Protocols were sent to laboratories for bids. Upon selection of the contractor, appropriate protocols will be sent to EPA.

Phthalate Esters

- The Phthalate Esters Panel agreed that auditing is necessary. Only two companies have qualified personnel they could devote to the audit studies. Exxon and Eastman will work on guidelines for auditing each study and guidelines on how often to audit. These guidelines will be used as a basis for getting cost estimates from contractors.

Polychlorinated Biphenyls (PCBs)

- The Analytical Task Group met with EPA and Midwest Research Institute (MRI) to discuss numerous issues relating to the analysis of incidentally-generated PCBs. The task group expressed concern that MRI was not adequately considering the practicalities of the analytical methodologies.

- The Program Panel met on March 26 to devise advocacy plans for Phase II of the PCB program. Since the Panel is uncertain of EPA's future direction, only six companies would verbally commit to participate in Phase II.

- An ad hoc group of the Program Panel met with Brian Mannix and Terry Grienstaff of the Office of Management and Budget (OMB). OMB seemed sympathetic to many of the Panel's concerns but felt somewhat constrained by EPA's statutory authority and the existing court order. OMB has received the totally enclosed proposed rule on PCBs for review.

- Several Panel representative and CMA staff met with EPA's Don Clay and other Agency personnel on April 7. They learned that the Agency is targeting publication of the proposed "exclusion rule" by April 30, with a court ordered date for publication of a final rule set at October 13, 1982. EPA has informed the Court of Appeals that by November 1, 1982, it will file a report of its plan to address PCBs not regulated under the exclusion and totally enclosed rules.

Toluenediamines

- The Panel approved charters for the Program Panel, and its three task groups (Toxicology Research, Survey, and Comments).

- CMA has received all of the responses to the TDA manufacturers survey. The data are being compiled and will be used in commenting on the Section 4(a) advance notice of proposed rulemaking.

CMA
EC - 5/4/82

CMA 064493