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CMA

CHEMICAL MANUFACTURERS ASSOCIATION

May 29, 1992

TO CMA BOARD OF DIRECTORS

Gentlemen:

Enclosed are the Minutes of the April 13-14, 1992 Board meetings.

Sincerely,

Charles W. Van Vlack
Vice President-Secretary

Enclosure

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VEX

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MINUTES of the three hundred thirty ninth meeting of the Board of Directors of the Chemical Manufactures Association, Inc., held at the Boca Raton Resort and Club, Boca Raton, Florida, on Monday and Tuesday, April 13 & 14, 1992. There were present:

Directors: John W. Johnstone, Jr., Chairman

Cyril C. Baldwin, Jr.
Richard Barth
Elwood P. Blanchard, Jr.
Thomas G. Bohrer
J.A. "Fred" Brothers
John D. Burns
Lester E. Coleman
Earnest W. Deavenport, Jr.
Ernest H. Drew
James E. Fligg
Darryl D. Fry
Thomas J. Gossage
Bob G. Gower
Michael H. Grasley
Earle H. Harbison, Jr.
Peter R. Heinze
J. Roger Hirl
Alan R. Hirsig
Jon M. Huntsman
Robert D. Kennedy
Conrad S. Kent
Truman L. Koehler
Ben H. Lochtenberg
Carl W. Lorentzen
J. Robert Lovett
Philip W. Matos
Ray B. Nesbitt
Frank P. Popoff
Seymour S. Preston, III
Larry V. Rankin
Lawrence A. Reed
Robert A. Roland
Jerry R. Satrum
Arthur R. Sigel
Frank P. Smith
John Hoyt Stookey
David J. Tippeconnic
William R. Toller
George A. Vincent
H. Daniel Wenstrup
J. Lawrence Wilson
Jochen C. Wulff

Secretary: Charles W. Van Vlack
Treasurer: Gary C. Herrman
General Counsel: David F. Zoll

By Invitation:
*Larry D. Adcock, Dow Chemical USA
*Charles A. Aldag, CMA
R.M. Julie Archuleta, Occidental Chemical Corporation
Robert D. Bradford, Olin Corporation
*J. Ronald Condray, Monsanto Company
J. Brian Ferguson, Eastman Chemical Company
Clyde H. Greenert, Union Carbide Corporation
Jon C. Holtzman, CMA
*J. Lynn Johnson, Eastman Chemical Company
*Nancie S. Johnson, DuPont
John W. Lamping, Amoco Chemical Company
Robert v.d. Luft, E.I. du Pont de Nemours & Company
J. Lynn Maddox, Chevron Chemical Company
Fred D. Marshall, Exxon Chemical Company
James D. McIntire, CMA
*Peter A. Molinaro, Union Carbide Corporation
*S. Anthony Mortimer, Union Carbide Corporation
Morton L. Mullins, CMA
*James V. Murray, Union Carbide Corporation
Michael A. Pierle, Monsanto Company

*Tony Shaw, Hoechst Celanese Corporation
*David D. Sigman, Exxon Chemical Company
Joseph C. Soviero, Union Carbide Corporation/SOCMA
William M. Stover, CMA
Gordon D. Strickland, CMA
Donald J. Verrico, E.I. du Pont de Nemours & Company
*Glenn R. Weckerlin, Chevron Chemical Company
Ben Woodhouse, The Dow Chemical Company

* Part time only

MONDAY, APRIL 13, 1992

1. MINUTES OF JANUARY 14, 1992 MEETING

The meeting was called to order at 9:00 a.m. by Chairman Johnstone and the minutes of the January 14, 1992 meeting were approved as distributed.

2. NOMINATING COMMITTEE REPORT

a. Vacancies Mr. Johnstone presented the following recommendations to fill vacancies on the Board and on Board Committees:

ON MOTION, duly made and seconded, it was

VOTED:

- o That Mr. Gary L. Rogers, Senior Vice President of GE Plastics, be elected a Director of the Association through May 31, 1992.
- o That Darryl D. Fry, President and Chief Executive Officer of American Cyanamid's Chemical Business, be elected a Director of the Association through May 31, 1992.
- o That Mr. Arthur R. Sigel, President and Chief Executive Officer of Velsicol Chemical Corporation, be appointed to the Executive Committee.
- o That Messrs. Cyril C. Baldwin, Jr. of Cambrex Corporation and J. Robert Lovett of Air Products and Chemicals, Inc., be appointed to the ad hoc Board Education Committee.

b. Incoming Directors and Officers. Mr. Johnstone presented for information only the Nominating Committee's Report which is scheduled for action at the June Annual Meeting. The report (Exhibit A) included the proposed slate of incoming Directors, Board Committee assignments and the Officers for 1992/93.

3. FINANCE COMMITTEE REPORT

Mr. Deavenport presented the Finance Committee's recommendations for the Association's 1992/93 budget and fee schedule which had been approved by the Finance and Executive Committee in March. He highlighted key elements of the Finance Committee's review and recommendations which included:

- History since 1987-88 of the Association's expenses and revenues; annual contributions/use of reserves; additions to program; and revenue sources and trends.

- A proposed budget which reflected a tightly managed process with total expenses virtually flat as compared to 1991/92 projected results.

- A recommended change to the Association's "Definition of Chemical Sales" which would eliminate exclusion No. 5 relating to carbon, bone, and lamp black as suggested by CMA's Membership Committee.

- The recommended use of reserves would still leave the Association with projected reserves of $7,096,600, within the reserve guideline at a level of 26.7% of general operating expenses.

Dr. Blanchard raised the issue of the funding level for the Clean Air Act pilot project and indicated that while lower resources were allocated in this budget based partly on a lull in the pace of regulatory activity, it was possible that increased regulatory activity on air issues in 1992/93 would result in a request for additional funding during the course of the year.

ON MOTION, duly made and seconded, it was

VOTED: To approve the proposed budget, fee schedule and Responsible Care® public outreach assessment, use of reserves, and changes in the Definition of Chemical Sales (all as summarized in Exhibit B).

4. PRODUCT STEWARDSHIP CODE

Mr. Weckerlin presented for approval the Responsible Care® Product Stewardship Code of Management Practices.

ON MOTION, duly made and seconded, it was

VOTED: To approve the Product Stewardship Code of Management practices as set forth in (Exhibit C-1), and as further defined by the Product Stewardship Code Booklet (Exhibit C-2), Question and Answer Document (Exhibit C-3), Self Evaluation Form (Exhibit C-4) and Definitions (Exhibit C-5).

Following approval, Mr. Kent urged that it was important with the code's approval to get other players and other international associations involved in implementation. This is particularly important for companies with foreign parents and domestic companies with foreign operations. He urged work toward developing and harmonizing worldwide implementation and measurement techniques.

5. BOARD EDUCATION COMMITTEE

Mr. Barth presented a report on the activities of the ad hoc Board Education Committee which has two principle areas of focus:

- o CMA's role as a facilitator for the networking of successful member company programs; and
- o CMA's role as a "screener" of education programs and an endorser of those deemed particularly relevant or useful.

In this latter role, he recommended that the Board endorse two programs.

ON MOTION, duly made and seconded, it was

VOTED: To endorse the programs of the Institute for Chemical Education (ICE) and the Woodrow Wilson National Fellowship Foundation: National Leadership Program for Teaching, as described in Exhibit D.

6. BOARD NCRIC COMMITTEE

Mr. Lovett presented the final report and recommendations of the ad hoc Board NCRIC committee. Highlights of this and Mr. Strickland's presentation included:

- o Review of the mission of NCRIC;
- o Review of the committee study's methodology;
- o A detailed presentation of findings by Mr. Strickland; and
- o The committee's final recommendations.

Following the presentations, there was general discussion which touched on the following:

- o Competition to CHEMTREC's services from private vendors ;
- o MSDS format standardization programs underway;
- o Possible role of CHEMTREC in outreach programs;
- o Status of MSDS entry and updating in the CHEMTREC system;
- o Development of service charges and fees;
- o Consideration of modifying the recommendation for the name change to "CMA" CHEMTREC Center; and
- o Protecting against frivolous requests for MSDSs in non-emergency situations.

Final action on the recommendations were deferred pending Executive Committee review that afternoon.

7. STATE PROGRAM AND ISSUES

a. Introduction Mr. McIntire presented an overview of progress in implementing the Board's recommended improvements to the State Affairs Program.

b. State Federation Mr. Adcock reviewed the challenges and progress of the state chemical associations in meeting the industry's growing needs at the state and local level, highlighting in particular developments in Louisiana and the changing role of the plant manager.

c. State Issues Mr. Johnson provided a report on the following active state issues:

- o Great Lakes Initiative (Board members were thanked for their successful effort in contacting Governors);
- o Interstate waste;
- o Source reduction;
- o Clean Air Act implementation;
- o National Park Service advocacy on new sources and permit changes;
- o Environmental labeling; and
- o CMA TRI data project.

8. FEDERAL ISSUES AND PROGRAMS

a. CMA PAC Mr. Deavenport reviewed the creation and objectives of the CMA PAC and the status of the responses to the letter soliciting the right to solicit. There was general discussion of the rules for PAC solicitation and contributions and it was suggested that further clarification on several points might be helpful to member companies.

b. RCRA Reauthorization Mr. Molinaro provided a status report and outlook on RCRA reauthorization activities in the House and Senate.

c. Toxic Use Reduction (TUR) Mr. Shaw provided a status report and outlook on pending toxic use reduction legislation and reviewed various new CMA economic advocacy materials that have been developed to support the industry's advocacy.

9. CMA RISK PROGRAM REPORT

Mr. Sigman reported on the challenges, status and outlook for CMA's risk management, risk assessment, and risk communication program which the Board had previously endorsed and funded. Key elements of his report included:

- o Progress, but not as a much as the group would like;
- o Success with the Lee Thomas Risk Dialogue Group;
- o Status of the project to retrospectively measure the success of existing government regulatory programs on a risk assessment/risk benefit basis;
- o Outlook for fundamental change in environmental policy is now possible; and
- o The group will be back later in the year with a long range strategy.

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The meeting adjourned at 11:50 a.m. until the following morning.

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TUESDAY, APRIL 14, 1992

The meeting was called to order at 9:00 a.m.

10. EXECUTIVE COMMITTEE REPORT

Mr. Popoff reported on the items discussed and actions taken at the previous afternoon's Executive Committee meeting. These are summarized in Exhibit E.

11. MEMBERSHIP COMMITTEE REPORT

Mr. Van Vlack reported that the Membership Committee had reviewed the qualifications of ASHTA Chemicals Inc. and recommended their election to membership.

ON MOTION, duly made and seconded, it was

VOTED: That ASHTA Chemicals Inc. be elected a member of the Association, effective June 1, 1992.

12. STATE INITIATIVES WORK GROUP REPORT

Mr. Murray provided a status report on initiative activity in Ohio and Massachusetts, including pending legal challenges in both states. He indicated that the Board group was likely to be back in June with recommendations on activating the pledge fund for these ballot campaigns. He reported that the State Initiatives Pledge Fund now had 125 participating companies and $1.4 million in pledges.

13. NCRIC BOARD COMMITTEE RECOMMENDATIONS

Mr. Johnstone reviewed the prior day's report and the Executive Committee's endorsement of the recommendations. There was discussion of possible ELG or CIC assistance in spreading the CHEMTREC story locally and it was agreed to pass that issue to the new CHEMTREC Special Committee for action.

ON MOTION, duly made and seconded, it was

VOTED: To accept the report of the ad hoc Board NCRIC Committee and to approve the recommendations as outlined in Exhibit F.

14. PUBLIC PERCEPTION COMMITTEE REPORT

Dr. Blanchard presented the committee's report which focused in two areas:

(1) Discussion of the planned and subsequently aborted release by CMA of site and state specific TRI data. He indicated that CMA and its members had learned some crucial lessons including the need for better CMA communications with its members and the need for better member company preparation for the release of the data. Dr. Blanchard indicated that for 1992, CMA would release overall trend data in late April, with a Q&A backgrounder and a draft local press release of the data. There was general discussion on how to improve the system for next year and the possible roles of the ELGs and Board.

(2) Dr. Blanchard reported on increasing activist attacks on Responsible Care® and the results of CMA's and PIRG's test of our 800 member and individual company information response systems. The Board requested specific feedback and communication to member companies on the test results and recommended improvements.

(3) He also reported on the status of the public outreach program. He reviewed the program's objectives and on a recent meeting of the Public Perception Committee. Mr. Nightengale reported specifically on the advertising program and data on six and nine month indicators of improving public perception.

15. MSDS PUBLIC ACCESS POLICY AND PROGRAM

Mr. Mortimer presented the proposed policy and program on public access to MSDSs contained in CMA's CHEMTREC data base. There was general discussion of the pilot nature of the program and the need to get started so a timely evaluation might be made by fall.

ON MOTION, duly made and seconded, it was

VOTED: To approve the proposed MSDS public access policy and program (Exhibit G) as a pilot program and to fund the program by amending the approved 1992/93 budget to authorize increasing, the expense budget by $50,000, including the addition of one staff, bringing the total authorized expense budget to $34,345,200, the authorized personnel complement to 224 and the use of reserves to $417,200.

The Board requested a status report on the pilot in the fall.

16. HAZARD CLASSIFICATION HARMONIZATION POLICY

Mr. Mortimer presented the policy for approval.

ON MOTION, duly made and recorded, it was

VOTED: To approve the proposed hazard classification harmonization policy as set forth in (Exhibit H).

17. GENERALIZED SYSTEM OF PREFERENCES

Ms. Johnson presented the proposed policy for approval.

ON MOTION, duly made and seconded, it was

VOTED: To approve the proposed policy on the renewal of the Generalized System of Preferences (GSP) as set forth in Exhibit I.

18. GATT/NAFTA REPORT

Ms. Johnson provided an update on both the GATT/MTN and the North American Free Trade Agreement (NAFTA) negotiations.

19. UNCED EARTH SUMMIT

Mr. Condray presented an update on the UNCED Earth Summit plans and preparations and the chemical industry's planned involvement.

20. GLOBAL CLIMATE CHANGE

Mr. Stevens summarized the current status of: the global climate change issue; CMA's advocacy activities; CHEMSTAR Atmospheric Research Council development; and the Energy Committee Survey and pending voluntary energy conservation program.

21. RESPONSIBLE CARE®

a. Program Status Mr. Aldag presented a report on the status of the initiative. Highlights included: finalization of all codes as of this meeting; increased focus on self evaluation reporting and mutual assistance; outlook for the latest round of ELG meetings; the status of the Partnership program; and on-going follow-up with three delinquent companies.

b. Ad Hoc Responsible Care® Board Committee On behalf of the Officers, Mr. Roland presented a proposal to form an ad hoc Board Responsible Care® Committee.

ON MOTION, duly made and seconded, it was

VOTED: To approve the formation of an ad hoc Board Responsible Care® Committee as described and chartered in Exhibit J with Mr. Deavenport as Chairman and with Messrs.: Bruce C. Gottwald, Gerald L. Hoerig, Robert D. Kennedy, Robert v.d. Luft, Arthur R. Sigel, Whitson Sadler, and Charles A. Aldag as members.

22. TREASURER'S REPORT

Mr. Herrman reported that for the nine month period ending February 28, 1992, the Association had revenue of $31,525,200 and expenses of $21,819,300, with variances within anticipated ranges and continuing to support the budget projections which would result in a $263,200 contribution to reserves, bringing total reserves to $7,096,700.

Mr. Johnstone expressed the Board's appreciation to Mr. Herrman and his staff for their work on the budget.

23. PRESIDENT'S REPORT

a. General Report Mr. Roland referenced his written report in the meeting book and highlighted two additional items:

- The Committee appointments for 1992/93 approved by the Executive Committee and the continuing need for additional members for the International Affairs Committee; and

- The status of negotiations between the AAR and CMA on the rail transport of environmentally sensitive chemicals.

b. 1992/93 Meeting Schedule

ON MOTION, duly made and seconded, it was

VOTED: To approve the 1992/93 Board, Executive Committee and Finance Committee meeting schedule as set forth in (Exhibit K).

24. PROGRAM COMMITTEE REPORT

Mr. Brothers reported on a tentative program for CMA's October Chemical Industry Conference in New York. The theme will be "The Global Environment." He also reported on the invited speakers for the June meeting: David Broder and Carla Hills.

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The meeting adjourned at 11:45 a.m.

Charles W. Van Vlack
Vice President-Secretary

4

CHEMICAL MANUFACTURERS ASSOCIATION
REPORT OF THE NOMINATING COMMITTEE
Fiscal Year 1991-92

BACKGROUND

CMA's Bylaws provide that, on or before April 1 of each fiscal year, the Board of Directors shall appoint a Nominating Committee, whose duty it shall be to nominate at the next Annual Meeting of the Association candidates for election to the Board of Directors.

Accordingly, a Nominating Committee which was appointed on June 6, 1991 consisting of Messrs. John W. Johnstone, Jr., Chairman, Frank P. Popoff, and J. Roger Hirl, has selected the following slate for presentation at the Annual Meeting on June 4.

NOMINATIONS

Three-Year Term Ending May 31, 1995

Alan R. Hirsig, President and Chief Executive Officer, ARCO Chemical Company
Bruce C. Gottwald, President and Chief Operating Officer, Ethyl Corporation
James W. Bernard, President and Chief Executive Officer, Univar Corporation
Robert N. Burt, Chairman of the Board, President and Chief Executive Officer, FMC Corporation
Lester E. Coleman, Chairman of the Board and Chief Executive Officer, The Lubrizol Corporation
Ralph S. Cunningham, President, Texaco Chemical Company
Thomas F. Kennedy, Executive Vice President, Hoechst Celanese Corporation
John N. Lauer, President and Chief Operating Officer, The BFGoodrich Company
J. Robert Lovett, Executive Vice President, Air Products and Chemicals, Inc.
Robert v.d. Luft, Executive Vice President, E. I. du Pont de Nemours & Company
Philip W. Matos, President, Mobil Chemical Company
Robert J. Mazaika, President, Uniroyal Chemical Company, Inc.
Peter J. Neff, President and Chief Executive Officer, Rhône-Poulenc Inc.
Mack G. Nichols, President, Mallinckrodt Specialty Chemicals Company
Gary L. Rogers, Senior Vice President, GE Plastics

Two-Year Term Ending May 31, 1994

Darryl D. Fry, Executive Vice President, American Cyanamid Company
George R. Hennigan, President and Chief Executive Officer, Kerr-McGee Chemical Corporation
Robert G. Potter, Executive Vice President, Monsanto Company
Robert D. Kennedy, Chairman and Chief Executive Officer, Union Carbide Corporation

One-Year Term Ending May 31, 1993

Vincent A. Calarco, Chairman of the Board, President and Chief Executive Officer, Crompton & Knowles Corporation
Arthur R. Sigel, President and Chief Executive Officer, Velsicol Chemical Corporation
Thomas C. Bohrer, President and Chief Operating Officer, International Specialty Products

OFFICER NOMINATIONS AND COMMITTEE ASSIGNMENTS

The following individuals were nominated as the elected Officers of the Association for fiscal year 1992/93:

Frank P. Popoff -- Chairman of the Board
J. Roger Hirl -- Chairman of the Executive Committee
Earnest W. Deavenport, Jr. -- Vice Chairman of the Board
Robert A. Roland -- President

The proposed committee appointment to the Board's standing committees and ad hoc committees are set forth in Attachments A and B.

ACTION REQUIRED

None. For information only. The nominations, Officer elections and committee appointments will be acted on at the June meetings.