

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
10:30 a.m., Tuesday, May 13, 1975
Union Club, New York City

- I. Opening Remarks and Introduction of Guests
- II. Minutes of Meeting of April 8, 1975, Including Financial Statement for Ten Months ended March 31, 1975
- III. Business Items
 - (a) Budget and Financing for Fiscal Year 1975-76
(Proposal mailed to Directors 4/18/75)
Membership Maximum Fee (Attachment)
 - (b) Report of Nominating Committee
Proposal to Increase Number of Directors (Attachment)
 - (c) Appointment of Committee Members (Attachment)
- IV. Report by Chemical Industry Trade Advisor
- V. Report of Director of Government Relations
- VI. Reports of Committees
 - (a) Economic Policy Review Committee
John Roorda
 - (b) International Trade Committee
Richard M. (Dick) Brennan, Chairman
 - (c) Transportation Equipment Committee
Donald M. (Don) Long, Chairman
- VII. Report of the President

Next Regular Directors' Meeting - Wednesday, June 11, 1975, at 5:30 p.m., in the West Virginia Room, The Greenbrier, White Sulphur Springs, West Virginia, followed by cocktails at 6:00 p.m. in the Tyler Room and Dinner at 7:00 p.m. in the Fillmore and Van Buren Rooms.

CMA 070863

MINUTES of the two hundred fortieth meeting of the Board of Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York, N. Y., Tuesday, May 13, 1975, at 10:30 a.m.

Directors: Edward R. Kane, Chairman
Jack B. St. Clair, Vice Chairman
James G. Affleck James M. Gill
Warren M. Anderson John R. Hall
Howard Barkell Robert H. Malott
Earle B. Barnes Harry D. McNeeley
Harry W. Buchanan Adolph Monsaroff
Thomas C. Dabovich Donald D. Pascal
William J. Driver Robert T. Powers
J. Morris Evans Harvey J. Taufen

Alternates: J. Earl Burrell (for Joseph A. Neubauer)
Carlyle G. Caldwell (for Donald D. Pascal)
James C. E. Fuller (for James H. Gardner)
Richard E. Heckert (for Edward R. Kane)
Robert C. Hyndman (for Thomas C. Dabovich)
L. H. Johnstone (for William C. Douce)
Harold S. Mickley (for H. Barclay Morley)
W. C. Roher (for Z. D. Bonner)
Albert J. Royce, III (for Albert J. Royce, Jr.)
E. A. Von Doersten (for John R. Hall)

Outside Counsel: Lloyd N. Cutler
John H. Pickering

Staff Counsel: Bruce M. Barackman

Secretary-Treasurer: George E. Best

By Invitation: Richard M. Brennan, Union Carbide Corporation
William H. Butterbaugh, MCA
Albert C. Clark, MCA
David H. Dawson, Chemical Industry Trade Advisor
Donald M. Long, Pennwalt Corporation
John Roorda, Shell Oil Company
William M. Stover, MCA
David C. Williams, MCA

Chairman Kane opened the meeting by calling for self-introduction of those present in turn.

I. MINUTES OF THE APRIL 8, 1975 MEETING

Minutes of the April 8, 1975, Board meeting, as distributed, including the financial statement for ten months ended March 31, 1975, were duly approved.

II. REPORT OF THE SECRETARY-TREASURER

Exhibit A.

III. BUSINESS ITEMS

(a) Budget and Financing for Fiscal Year 1975-76 As chairman of the Finance Committee, Mr. Gill summarized the budget and financing proposal which was mailed to Directors on April 18 as favorably recommended by the Executive and Finance Committees.

ON MOTIONS, duly made and seconded,
it was

VOTED: (1) That a budget for fiscal year 1975-76 in the amount of \$2,791,200, of which \$2,434,000 is for operations and \$356,800 for projects, be approved and presented to the membership, funds for which are to be raised from membership fees based on chemical sales plus income from sale of publications, investments, and meetings, and from overhead reimbursement from subscribed projects;

That there may be carried forward for future expenditure, in full or in part, the unexpended year-end balance for one terminating project, not exceeding \$35,000;

That a plastics activities budget for fiscal year 1975-76 in the amount of \$72,000 be approved, funds for which are to come from \$60,000 in new assessments on participating member plastics materials producers and the balance from plastics fund surplus. Of the total, \$68,000 is in reserve for allocation to projects under current study by the Plastics Committee, subject to prior approval by the Board of Directors.

— (2) That the preexisting membership fee scale be continued for fiscal year 1975-76 except for increasing the maximum fee from \$88,935 to \$100,000.

In general reference to budget control, Mr. Kane stated that no net increase in professional staff is to occur without prior approval of the Executive Committee.

Budget and financing details are to be mailed to Executive Contacts well in advance of the Annual Business Meeting scheduled on June 12.

(b) Report of Nominating Committee As chairman of the Nominating Committee, Mr. St. Clair presented a recommendation to provide for additional representation on the Board by amending the first sentence of Article V, Section 1, of the Bylaws as follows (language to be deleted struck through; new language underscored):

The business affairs of the Association shall be managed by a Board of Directors consisting of the Chairman of the Board, the Vice Chairman of the Board, the Chairman of the Executive Committee, the President, and up to thirty-(30) thirty-three (33) additional Directors.

ON MOTION, duly made and seconded,
it was

VOTED: That the proposed Bylaws amendment detailed just above be recommended for adoption at the next Annual Business Meeting of the Association.

Mr. St. Clair also reported the following slate of Officers and Directors to be recommended for election at the Annual Business Meeting scheduled on June 12:

OFFICERS

Chairman of the Board: Harry D. McNeeley, Eastman Kodak Company

Vice Chairman of the Board: Joseph A. Neubauer, PPG Industries, Inc., Chemical Division

Chairman of the Executive Committee: John W. Hanley, Monsanto Company

President: William J. Driver, MCA

CMA 070867

DIRECTORS
(Term Expires May 31, 1978)

D. H. Ambros, BASF Wyandotte Corporation
 John S. Coey, Hooker Chemical Corporation
 John T. Connor, Allied Chemical Corporation
 Edward J. Donley, Air Products and Chemicals, Inc.
 Edward J. Goett, ICI United States Inc.
 Richard L. Heckert, E. I. du Pont de Nemours & Company
 Ralph M. Knight, Dart Industries Inc., Chemical Group
 Raymond H. Marks, Tenneco Chemicals, Inc.
 John K. McKinley, Texaco Inc., Petrochemical Department
 Andrew J. McNeill, UNIROYAL, Inc.
 Donald O. Swan, Exxon Chemical Company
 K. M. Weis, Mobay Chemical Corporation
 Robert J. Whitesell, Rohm and Haas Company

(Term Expires May 31, 1976)

William J. Driver, Manufacturing Chemists' Association, Inc.

(c) Proposed Bylaws Amendment Concerning the Secretary-Treasurer Mr. Kane introduced consideration of the elimination of an inconsistency within Article VI, Section 7, of the Bylaws. Its first sentence states: "The Secretary-Treasurer shall be appointed by the President, with the approval of the Board of Directors." Accordingly, the Executive Committee has recommended the fourth paragraph be amended as follows (language to be deleted struck through; new language underscored):

In case of the absence or disability of the
 Secretary-Treasurer, the ~~Board of Directors~~
President may appoint an acting Secretary-
 Treasurer.

ON MOTION, duly made and seconded,
 it was

VOTED: That the proposed Bylaws amendment
 detailed just above be recommended for adoption
 at the next Annual Business Meeting of the
 Association.

(d) Appointment of Committee Members Appointments were
 approved as listed in Exhibit B.

IV. REPORT BY CHEMICAL INDUSTRY TRADE ADVISOR

Dr. Dawson reported on the status of appointees to function under the Special Trade Representative and spoke of a closed meeting of the policy committee scheduled on June 20. He mentioned hearings of the U.S. International Trade Commission are nearly finished, and that his testimony urged a delay in negotiations under GATT. He suggested individual companies re-review the American Selling Price (ASP) issue, and consider taking further action if desired to protect their respective interests.

V. REPORT OF DIRECTOR OF GOVERNMENT RELATIONS

Mr. Stover's report is attached as Exhibit C. In this connection, copies of a tabulation titled "Status of Legislation of Interest to MCA" were distributed to those present.

VI. REPORTS OF COMMITTEES

Reports were presented by the following:

Mr. John Roorda, Member Economic Policy Review Committee	Exhibit D
Mr. Richard M. Brennan, Chairman International Trade Committee	Exhibit E
Mr. Donald M. Long, Chairman Transportation Equipment Committee	Exhibit F

VII. REPORT OF THE PRESIDENT

In supplementing his Staff Report (Exhibit G), Mr. Driver spoke of further developments in reference to reporting to FEA on energy conservation, in expectation that the earlier letter by Mr. Sant will soon be superseded by another reaffirming voluntary reporting through trade associations but requesting individual company commitments direct to the Government on an energy saving goal as well as the submission to FEA of company materials describing their energy conservation programs.

Reporting on the MCA survey of member companies on expenditures, manpower, and energy applied to environmental management in chemical manufacturing, he expressed disappointment that less than half the companies have so far furnished information, and emphasized the importance of fuller participation to producing impressive data. Mr. Kane suggested undertaking further follow-up.

Additionally, Mr. Driver commented on MCA attention to pending tax legislation, especially that bearing on foreign subsidiaries of U.S. corporations, and to toxic substances legislation.

George E. Best

George E. Best
Secretary-Treasurer

Certified correct:

Edward R. Kane

Edward R. Kane
Chairman of the Board

REPORT OF THE SECRETARY-TREASURER

May 13, 1975

Dollar amounts rounded from tabular details
(\$000)

		<u>Percent of Budget</u>
<u>INCOME & EXPENSE</u>		
<u>June 1, 1974 - Apr. 30, 1975 - 11 Months (92%)</u>		
Income - Membership Fees	\$2,023	101.966%
- Other	<u>351</u>	118.983%
	\$2,374	104.169%
 Expense - Operations	 \$1,761	 85.943%
- Projects	<u>285</u>	61.028%
	\$2,046	81.320%
 <u>ASSETS</u>		
<u>(As of April 30, 1975)</u>		
Cash	\$ 75	
Investment	3,521	
Miscellaneous	<u>2</u>	
	\$3,598	

MANUFACTURING CHEMISTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

April 30, 1975

BALANCE SHEET

Assets

<u>Cash</u>	
National Savings & Trust - Commercial Account	\$ 66,098
National Savings & Trust - Payroll Account	6,000
Imprest Funds	<u>2,800</u>
<u>Investments</u>	
Bank Certificates of Deposit	\$ 500,000
U. S. Government Securities	712,877
U. S. Government Agency Securities	1,002,500
Corporate Securities	<u>1,305,300</u>

Deposits

U. S. Government Printing Office	\$ 200
American Airlines	<u>425</u>

Account Receivable

Travel Advances	<u>2,082</u>
	<u>\$3,598,282</u>

Liabilities

D. C. Use Tax	\$ 242
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Reserve

Deferred Compensation	90,277
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Fund Balances

Restricted (Schedule I (c))	\$1,868,503
Unrestricted - From Previous Fiscal Years	\$1,311,801
- Current Fiscal Year	<u>327,459</u>
	<u>3,507,763</u>
	<u>\$3,598,282</u>

INCOME & EXPENSE

INCOME

Membership Dues & Entrance Fees	\$2,022,725
Income from Investments	180,186
Publication Sales	89,476
	64,826
	12,154
	<u>4,448</u>
	<u>\$2,373,815</u>

*(1) Meeting & Special Funds (Schedule I (d))

Overhead Reimbursement - Subscribed Projects	
Miscellaneous	

Total Income

EXPENSE

Management	\$ 402,727
Technical - General	614,820
Technical - Chemtrec	150,669
Public Relations	431,441
Government Relations	216,143
Information Service	62,857
Office Administration	<u>167,699</u>
	<u>\$2,046,356</u>

Total Expense *(2)

Income less Expense

	<u>\$ 327,459</u>
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FOOTNOTES:

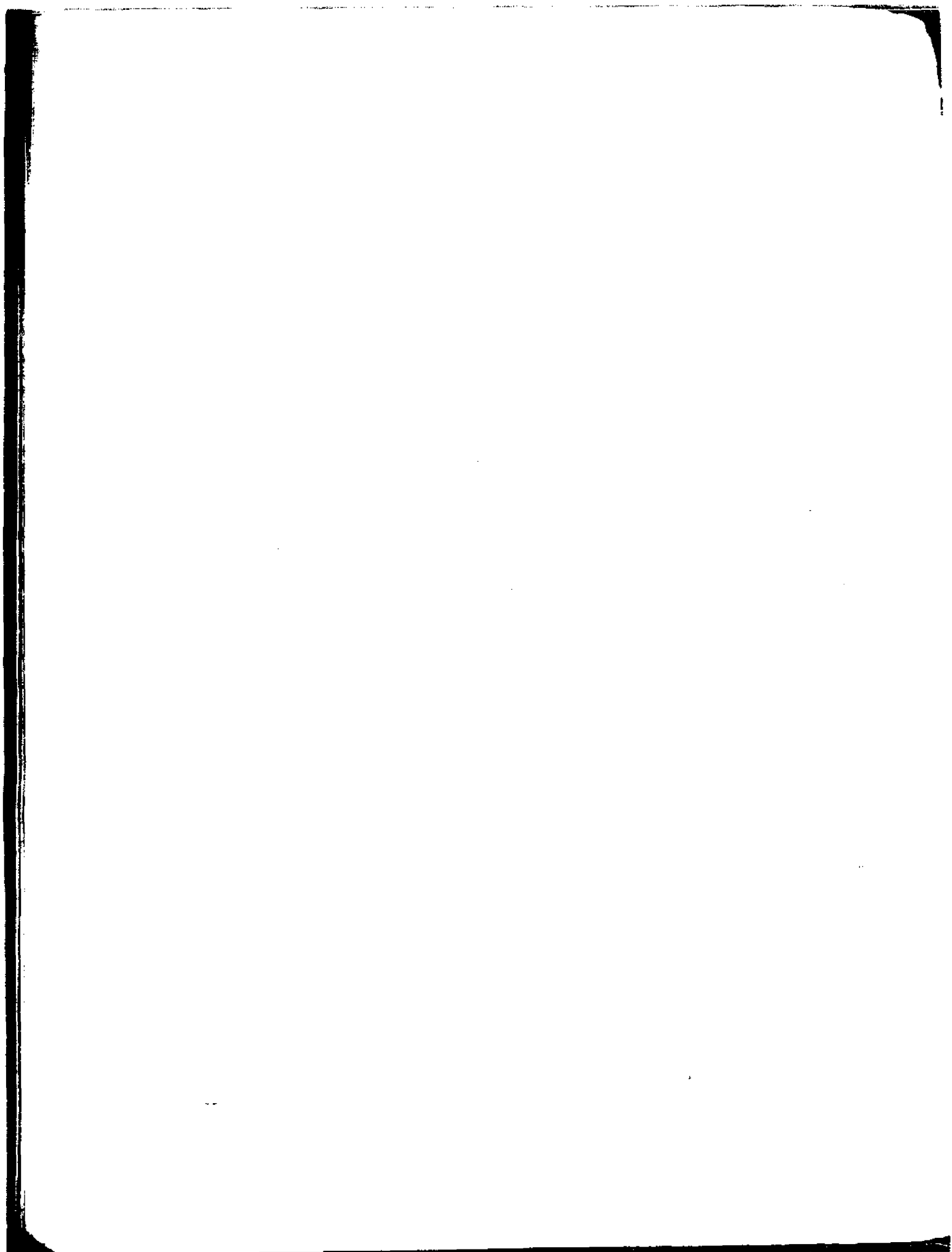
*(1) Net Income on Completed Projects

*(2) Total General Program Expense

Fiscal Year 1974-75 Budget Program Expense (above)
Expenditures from Project Funds carried over from
previous Fiscal Year (Schedule I (c))

	\$2,046,356
	<u>10,740</u>
	<u>\$2,057,096</u>

CMA 070872



April 30, 1975

SCHEDULE 1 - RESTRICTED FUNDS & MEETING ADVANCES

	Balance June 1, 1974	Current Fiscal Year		
		Receipts	Expenditures	Transfers To Income
<u>Carry-Over of Budgeted Funds</u>				
GR-1 Economic Study	\$ 13,564	-	\$ 10,740	\$ 2,844
<u>Non-Budgeted Funds & Meetings</u>				
Meetings, Workshops & Symposia	\$ 63,974	\$ 211,369	\$ 134,630	\$ 64,826
Tank Car Mileage Compensation	24,348	-	-	24,348
TEC Audio/Visual Aids	-	208	3,222	(3,014)
CPC Audio/Visual Aids	-	341	397	(56)
Vinyl Chloride Research - Inhalation	126,564	43,670	60,975	108,664
Vinyl Chloride Research - Epidemiological	11,361	50,228	6,350	54,889
Vinyl Chloride Research - Dow Studies	-	232,253	70,000	161,518
Vinylidene Chloride Monomer - Research	-	507,200	20	506,084
Styrene Monomer - Research	-	256,754	-	256,229
Ethylene Dichloride - Research	-	16,044	42	16,002
Phosgene Safety Research	22,142	49,600	2,880	68,512
Fluorocarbons Research	17,890	584,996	112,295	482,088
Phthalate Esters Research	10,922	-	1,156	9,766
Loss Data Bank Project	-	16,000	11,566	4,434
Patents Monitor	-	3,000	2,757	243
Chemical Industry Trade Advisor	-	23,071	17,270	5,801
Total - Non-Budgeted Funds & Meetings	\$ 277,201	\$1,994,734	\$ 423,560	\$1,771,395
<u>Plastics Group Financial Package</u>				
	\$ 92,318	\$ 60,000	\$ 58,054	\$ 94,264
Total	\$ 383,103	\$2,054,734	\$ 492,354	\$1,868,503

CMA 070873

SCHEDULE 11 - EXPENSE
BUDGET PROGRAM

April 30, 1975

	MANAGEMENT		GENERAL		TECHNICAL		PUBLIC RELATIONS		GOV'T. RELATIONS		INFO. SERVICE		OFFICE ADMIN.		TOTAL TO DATE	
	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET
	12	10	21	19	7	12	9	3	11	75	11	71				
Employee's Actual																
Authorized																
OPERATING EXPENSE																
Salaries & Related Expense	\$244,121	\$236,133	\$341,134	\$338,854	\$100,785	\$185,561	\$135,890	\$139,049	\$46,283	\$47,152	\$116,507	\$121,605	\$1,171,475	\$1,158,491		
Retirement Plan & Group Ins.	7,235	53,969	7,983	62,920	1,746	20,957	2,495	19,295	2,265	17,378	2,176	4,855	26,624	194,791		
Hosp. Ins. & Health Plan	2,055	2,394	4,023	5,570	537	3,566	1,245	2,378	595	988	2,188	2,715	12,963	18,206		
Legal Fees & Expense	86,199	24,292	2,667	5,500	-	-	16,821	16,500	-	-	-	-	105,687	46,292		
Consultancy & Investment Serv.	-	2,292	-	-	-	-	-	-	-	-	-	-	-	2,292		
Audit	2,000	2,292	-	-	-	-	-	-	-	-	-	-	-	2,000		
Rent & Premises Expense	13,049	12,447	23,794	22,818	6,723	15,189	10,987	10,481	5,348	5,094	22,022	17,032	98,212	89,232		
Taxes & Insurance	8,627	8,401	16,105	15,489	21,319	9,638	6,796	7,376	2,342	2,616	7,856	10,072	73,119	76,510		
Supplies & Gen. Office Exp.	5,804	5,958	17,653	15,400	2,297	8,662	5,456	6,417	358	688	9,049	6,417	48,240	46,475		
Furniture & Equipment	2,174	917	3,627	1,175	559	461	1,479	1,742	92	92	1,360	183	9,000	5,867		
Printing	2,964	2,483	746	917	-	3,737	576	862	-	-	1,365	1,100	9,388	8,479		
Telephone & Telegraph	4,778	4,473	11,701	11,504	14,776	8,195	5,566	6,452	1,327	1,298	5,193	4,510	50,755	53,753		
Postage	2,361	2,750	20,251	20,625	462	13,681	5,821	6,875	467	779	1,467	1,467	62,870	69,163		
Travel & Entertainment	4,692	6,417	17,389	23,833	930	22,917	9,578	9,166	605	1,009	14	183	52,124	66,046		
Meeting Expense	12,117	9,900	315	825	-	57	3,112	3,268	-	-	-	-	15,601	14,254		
Periodicals, Books, etc.	412	413	1,595	1,467	386	1,794	8,128	1,791	1,608	1,284	77	92	14,000	12,789		
Organizational Memberships	2,445	2,429	2,163	2,183	59	718	2,193	3,048	43	41	75	73	7,716	8,983		
Contingency	1,494	4,583	-	-	-	-	-	-	-	-	-	-	1,494	4,583		
Operating Expense Totals	\$402,727	\$384,643	\$670,146	\$519,680	\$150,669	\$316,760	\$216,143	\$240,020	\$61,461	\$78,419	\$167,699	\$170,324	\$1,761,268	\$1,878,498		

PROJECTS

Technical																
Air Quality	\$ 1,250	\$ 4,587													\$ 1,250	\$ 4,587
* (1) Food, Drug & Cosmetic Chemicals	2,000	1,837													2,000	1,837
Water Resources	41,350	42,163													41,350	42,163
Multi-Committee/Transportation	814	2,475													814	2,475
Multi-Committee/Publications	44,260	66,008													44,260	66,008
* (2) Trade Advisor	55,000	64,163													55,000	64,163
* (3) Economic Impact/Toxic Substances	-	87,087													-	87,087
Public Relations																
Community Relations																
Consumer Information																
Environmental Quality																
Internal Publications																
Media Relations																
Academic - Industry Study																
College & Hi School Teacher Awards																
Education Exhibits																
Education Publications																
Information Service																
Chemical Statistics Series																
Project Totals	\$ -	\$ -	\$144,074	\$268,312	\$ -	\$19,418	\$198,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$96	\$1,054
COMBINED TOTAL	\$402,727	\$384,643	\$670,146	\$519,680	\$150,669	\$316,760	\$216,143	\$240,020	\$62,857	\$79,473	\$167,699	\$170,324	\$1,807,342	\$1,948,992	\$2,046,356	\$2,306,772

* (1) Budget increase approved by Board of Directors October 8, 1974, for support of the 945 Symposium on Specifications for Food Ingredients \$2,000
 * (2) Transfer of Budget Funds approved by Board of Directors November 25, 1974, from "Projects - Trade Advisor" to "Operating Expense - Retirement Plan" \$60,000
 * (3) Budget increase approved by Board of Directors April 8, 1975, for study of the Economic Impact of Toxic Substances legislation \$95,000

CMA 070874

APPOINTMENT OF COMMITTEE MEMBERS

- (a) Chemical Packaging Committee
 - John R. Martin, Rohm and Haas Company
 - Walter C. Miller, Mallinckrodt, Inc.
 - John C. Morton, Mobil Chemical Company
 - W. C. Noell, Virginia Chemicals Inc.
 - J. A. O'Connor, The Harshaw Chemical Company, Division of Kewanee Oil Company
- (b) Food, Drug, and Cosmetic Chemicals Committee
 - Gary A. Sunshine, ICI United States Inc. -- As Chairman
- (c) International Trade Committee
 - R. M. Brennan, Union Carbide Corporation -- As Chairman**
 - B. L. How, Jr., Allied Chemical Corporation -- As Vice Chairman**
- (d) Nuclear Committee
 - J. C. Bishop, Allied Chemical Corporation
- (e) Patent and Trademark Committee
 - John B. Clark, Monsanto Company -- As Chairman*
 - Robert C. Kline, E. I. du Pont de Nemours & Company -- As Vice Chairman*
- (f) Solid Wastes Management Committee
 - J. D. Underwood, Celanese Corporation -- As Vice Chairman*
- (g) Tax Policy Committee
 - Matthew P. Landers, Pfizer Inc. -- As Chairman*
 - Frederick T. Barbour, Rohm and Haas Company -- As Vice Chairman*
- (h) Transportation Equipment Committee
 - R. E. Phillips, Ethyl Corporation -- As Chairman*
 - J. R. Hopkins, The Dow Chemical Company -- As Vice Chairman*
 - R. J. Caragher, Olin Corporation
 - Ted C. E. Manning, Ashland Chemical Company, Division of Ashland Oil, Inc.
 - Raymond Panek, Tenneco Chemicals, Inc.
 - Roy J. Holden, Bureau of Explosives, Association of American Railroads***

* Effective June 1, 1975

** Re-election

*** Associate membership (non-voting status) subject to review and confirmation annually.

REPORT BY THE DIRECTOR OF GOVERNMENT RELATIONS

WILLIAM M. STOVER

MAY 13, 1975

THE TOXIC SUBSTANCES BILL -- RECENT DEVELOPMENTS

ORGANIZED LABOR TESTIFIED on S. 776, the Toxic Substances Control Act, April 15, as the Senate Subcommittee concluded its hearings. Witnesses included Andrew J. Biemiller, Director of the Department of Legislation, AFL-CIO; Jacob Clayman, Secretary-Treasurer of the Industrial Union Department, AFL-CIO; and John J. Sheehan, Legislative Director of the United Steelworkers of America. The thrust of their testimony was clear: intensive involvement by labor in carrying out the Act once it becomes law, including the development of test protocols, setting up a priority list of chemicals that require testing, or as participants on an advisory board. The labor spokesmen made it clear that any new law must recognize and even augment the authorities of the Occupational Safety and Health Administration (OSHA) and the National Institute for Occupational Safety and Health (NIOSH). For example, Mr. Biemiller recommended that EPA be required to obtain from OSHA and NIOSH a listing of substances posing serious occupational hazards, and that these be given immediate testing priority. NIOSH would have authority to recommend the testing protocols. He also recommended that a permanent inter-agency committee be established to resolve areas where Federal jurisdictions overlap, that EPA have powers to interview personnel and to subpoena records and related data, and that EPA would handle unreasonable risks to human health in the workplace by informing both NIOSH and OSHA who would then have 90 days to develop, promulgate and enforce a temporary emergency standard as provided under the Occupational Safety and Health Act.

It was also recommended that workers be safeguarded against "environmental blackmail" which might result from threats of job losses alleged to result from EPA actions under the new law. The affected employees, labor witnesses said, should have hearing rights, and EPA should be empowered to subpoena corporate records. Criminal

and/or civil penalties were recommended in cases where the job loss threat was made without basis in fact on the record. Where there is a bona fide job loss the labor spokesmen felt there should be unemployment compensation payments, rent and mortgage payments and retraining and relocation expenses for workers.

THE NEXT STEP IN THE SENATE will be markup sessions on S. 776 by the full Commerce Committee. No dates are scheduled at present and there appears little likelihood that the markup can begin until after the conclusion of the Memorial Day recess. Meanwhile, we have conducted a series of meetings with the majority staff of the Subcommittee aimed at working toward improved language. While there is little reason to expect that sweeping changes will be forthcoming, we believe that some positive results have been achieved. We expect to have the opportunity to review the redrafted language with the Senate staff before the Committee begins formal markup consideration.

ANOTHER SIGNIFICANT DEVELOPMENT ON THE SENATE SIDE OF CAPITOL HILL was an April 28 letter from EPA Administrator Russell Train to Senator John Tunney (D.-Calif.). In that letter, EPA substantially revised and increased its estimates of the probable cost of implementing the pending Senate bill. The earlier \$45 million per year figure has now been replaced by an annual price tag of between \$80 million and \$140 million in costs to the industry. In his response, obviously directed at the much higher projections made by the Dow Chemical Company, Administrator Train said that he is "vitally concerned" that the costs of S. 776 "not be excessive and that the environmental benefits resulting from the legislation be commensurate with the costs." In the letter Train told Tunney that "we reject the implication that EPA would require overly burdensome and environmentally unnecessary industrial expenditures in this regard." He said that one reason his new figures are higher than the earlier \$45 million projection is that the earlier estimate "did not include some of the highly speculative costs associated with pre-market screening and regulatory actions." He further stated that EPA expects to be "highly selective in determining which chemicals should be subjected to testing and which types of tests should be required." He expected that test requirements would be "very limited" for most chemicals affected by the test protocols section, and that extensive tests would be confined to "only a few chemicals."

There are still no indications that the Administration plans to offer its own version of a toxic substances control bill.

IN THE HOUSE OF REPRESENTATIVES, we still await the introduction of Rep. Bob Eckhardt's version of the toxic substances control bill. The Texas Democrat was a key figure in the development of this legislation in the past and it is expected that the language of his bill will be made public in the near future. There are also indications that freshman Representative William Brodhead (D.-Mich.) will introduce a "Sierra Club version" of the toxic substances act. Meanwhile, hearings are still scheduled on the legislation the first week in June before the Subcommittee on Consumer Protection and Finance of the Committee on Interstate and Foreign Commerce.

A MEETING OF REPRESENTATIVES OF RELATED TRADE ASSOCIATIONS was conducted by MCA in Washington on April 23. At that time, we presented a detailed briefing on the status of the legislation and the objectionable provisions which will have a direct effect on other industries and organizations. We are maintaining a close liaison with those groups which expressed an interest and desire to take part in legislative activities.

MCA IS CONDUCTING A TOXIC SUBSTANCES SEMINAR in Washington, D. C. on May 19. The all-day program will be devoted to discussion of the key issues involved in the development of toxic substances legislation, such as, the extent to which premarket screening of chemicals will be required, the relationship to other Federal laws and the gaps in existing law, the probable economic impact of a new law, administrative and procedural safeguards, definitions and exemptions, and others. The audience will be comprised of MCA Legislative Action Contacts, Washington Representatives of our member companies, and spokesmen from other trade associations and industrial groups.

The day's program will include a noon luncheon at which the featured speaker will be Representative Lionel Van Deerlin (D.-Calif.), chairman of the House subcommittee which will soon be considering toxic substances legislation. Informational and registration materials have been sent through appropriate Association channels and additional information is available by telephoning the MCA Government Relations Department.

SENATE AUTHORIZES SUBPOENA POWERS FOR WAGE/PRICE COUNCIL

On May 6 the Senate passed S. 409, a bill to extend the life of the Council on Wage and Price Stability to June 30, 1976. Before approving the measure by a vote of 67 to 20, however, the Senate

also voted an amendment by Senators Stevenson, Humphrey and Javits which permits the Council to require that companies provide information on costs and profits by product lines, and to back up these requests with subpoenas.

Despite objections that the product line reporting procedures were objectionable to business interests, Senator Stevenson declined to change the language of his amendment, explaining that it would give the Council "selectivity", and that the Council could be trusted to use the powers "wisely and sparingly."

The floor action came as something of a surprise since the Senate Banking Committee had reported the bill without the numerous objectionable provisions of the original version introduced by Chairman William Proxmire (D.-Wisc.). These included prenotification of price increases by large companies and wage increases for more than 5,000 employees, and delays of up to 60 days in the effective dates of increases if ordered by the Council. The House has yet to begin Committee consideration of these issues.

STRIP MINING LEGISLATION -- H.R. 25

On May 7 the House gave final approval to the conference report on H.R. 25, the strip mining bill similar to one vetoed by the President last year. The vote was 293 to 115. On May 5 the Senate agreed to the conference report by voice vote.

Rep. Morris Udall (D.-Ariz.), House sponsor of the legislation, believes President Ford will veto the current bill. While the House approved the conference report by a wide margin, the vote was only three more than the two-thirds vote necessary to override a Presidential veto. The March 12 vote for initial Senate passage was 84 to 13. The first House roll call on the bill resulted in a vote of 333 to 86.

The bill which will go to the White House:

- sets Federal standards for coal extraction and land reclamation which will be enforced by the States;
- requires that stripped land be returned to its original form; and
- bans strip mining in national forests.

To accommodate the White House, conferees agreed to:

- limit the type of citizen suits that may be brought to stop strip mining operations;
- to delete the unemployment fund for strip miners; and
- to drop the ban on strip mining in certain valleys in the West.

ENERGY LEGISLATION

There are more than 500 energy bills pending before the Congress. Thirty-one relate to one or more major energy areas, and are currently being considered, in whole or in part, by several House committees. The two major bills under current consideration are the Energy Tax Bill, H.R. 5005, about to be reported by the House Ways and Means Committee, and its companion policy measure, yet in draft form and un-numbered, being considered in the House Commerce Energy Subcommittee. There has been considerable indecision and some second thoughts during the markups. Proposals adopted one day are discarded the next. It is likely to be some time before these complex issues can be resolved and a sufficient consensus achieved.

Following are recent developments which may indicate the general direction the measures are taking.

On April 29 the House Ways and Means Committee issued a staff summary of actions thus far on H.R. 5005, the Energy Tax Bill.

Title I deals with the import treatment of oil. It would establish a level of quotas to reduce imports to 25 percent of all oil used domestically by 1985. The President will be required to lower import quotas to coincide with diminishing national consumption. An import licensing system must be established before the end of 1975 to permit private refiners and marketers to bid on shares of the quota. A 2 percent duty will be added to imported crude oil and a 5 percent duty on petroleum products. The President can increase the duty on crude to 10 percent. The duty on residual and heating oils must remain at 5 percent for two years before it can be increased to 10 percent. An Office of Petroleum Import Licensing and Purchasing will be created to manage the licensing program. This office, in the Federal Energy Administration, will have emergency power to buy oil directly from foreign companies or governments to be distributed domestically.

Title III of H.R. 5005 deals with a program of gasoline conservation. It sets a 3-cent-a-gallon gasoline tax which begins January 1, 1976. The anticipated \$3 billion annual revenue will go into an energy trust fund for exploration of alternative energy source technology and for mass transit.

In 1977 a gradual gasoline tax will be levied, based on overall gasoline consumption in any year as compared to the consumption level of 1973. A rebate system will go into effect to return the taxes paid on the first 40 gallons purchased each month.

Title IV of the bill addresses other energy conservation programs. It repeals the excise tax on radial tires sold after March 17, 1975, and allows a \$150 tax credit on insulation expenses for a principal residence.

On May 5 the Committee agreed to a special tax of up to 7 percent on high gasoline consuming automobiles, effective in 1977. It would not go into effect at all if the auto industry meets established gasoline efficiency standards. The average mileage of all new cars must be at least 18 miles per gallon beginning in 1978, and 1980 models must average 20 miles per gallon.

On May 6 the House Ways and Means Committee decided that, beginning in 1977, a tax will be imposed on business use of oil and gas. Electric utilities will be exempt until 1982. The tax would begin at 17 cents a barrel on crude oil in 1977, and would escalate to \$1 by 1982. Natural gas would be taxed at 4 cents per 1,000 cubic feet in 1977 and would increase to 18 cents per 1,000 cubic feet in 1980.

A subcommittee of the House Interstate and Foreign Commerce Committee is working on an energy policy bill which reportedly will be meshed with H.R. 5005 before a final vote on the House floor. Thus far, the subcommittee has adopted an amendment requiring the President to control gasoline consumption for the next three years; rejected efforts to exempt certain small refiners from FEA's oil entitlement programs, to eliminate the conservation title, and to include a September 30, 1977 expiration date for the legislation; modified pending energy labeling provisions transferring authority from FEA to the Commerce Department; required enforcement of labeling requirements in advertising by the Federal Trade Commission; and required automobile manufacturers to average 18.5 miles per gallon on autos by 1978, climbing to 28 mpg by 1985, with penalties imposed on cars not meeting the standard.

MCA Economic Policy Review Committee Report
to the
Board of Directors
May 13, 1975
Fletcher L. Byrom, Chairman
(John Roorda, Member, Reporting)

This report of the Economic Policy Review Committee will be briefer than usual, owing to the short interval of seven months since last reporting to the Board.

1. International Economic Trends

There is little real growth abroad and Britain and Italy are in particularly poor shape. There is no prospect for a lower price for oil -- indeed, the price may be indexed upward as a number of the OPEC nations have complained about a worsening position of the dollar and substantial price rises for their own imported goods. In any event, the previously declared moratorium of price advances by the OPEC expires in September 1975.

The fear in some quarters that large amounts of excess OPEC revenues would find their way to U. S. equity markets has not to date been justified. By some estimates, as little as 1% of OPEC money was placed in ownership accounts. Aid programs by OPEC countries to developing countries have been larger than predicted. Consumption of imports by OPEC countries has been larger than predicted, and the international banking system has so far well withstood the problem of borrowing short and lending long. New international institutions may have to be developed, but the problem at this point appears manageable. Objections by some to OPEC investment in the U. S. have been answered by some of the OPEC countries, who ask that we define what is acceptable and what isn't. We should be thinking about this question in our own companies.

As a result of the report on multi-national corporations by the U. N.'s "group of eminent persons," a 48-nation commission has been authorized -- 38 being developing nations and 10 industrialized. A new inter-committee task force on multi-national corporations has been organized within MCA. It has not reached the reporting stage.

2. The Hart Industrial Reorganization Bill

Senator Philip Hart introduced in the last Congress his Industrial Reorganization Bill, intended to facilitate the splitting of companies in a number of named industries into

smaller units, provided that certain arbitrary measures indicate the existence of economic concentration in the given industry. The chemical industry is one of those listed as a possible target.

We have been informed that Senator Hart intends shortly to introduce substantially the same bill in this Congress.

MCA has engaged an economic consultant, Professor Steven Lustgarten, Baruch College, City University of New York, to assist in preparing the chemical industry's case. He has substantially completed his report, subject to slight revisions. His study should prove to be valuable beyond possible use at Senator Hart's hearings; it tends to demonstrate that the chemical industry is vigorously competitive and not in need of drastic remedies such as those proposed in the Industrial Reorganization bill.

3. The Economic Impact of Tax Proposals on the Chemical Industry

The Tax Policy Committee referred to the Economic Policy Review Committee a proposal by a member company for the assessment of the economic impact (in terms of jobs, investment, exports, etc.) of proposed revisions in the tax system. The proposal was approved, and it was agreed that it should be pursued further by a task force drawn from the two Committees. The task force has prepared a questionnaire, which it plans to circulate to companies represented in the two Committees.

4. MCA's Energy Conservation Reporting Program

At an October 10 meeting of top officials of a number of MCA member companies with top Federal Energy Administration officials, there was agreement on a consensus goal of 15% saving in energy consumption per unit of output by 1980 as compared with 1972, with appropriate qualifications. The companies concerned agreed to submit their results to MCA, which undertook to aggregate them and submit a consolidated report to FEA and Commerce.

Some 26 MCA member companies took part in a trial run of the reporting system. They reported on March 25 an energy saving of 8% for calendar 1974 as compared with calendar 1972, after due allowance had been made for the energy requirements of the stricter environmental and OSHA regulations in effect in 1974. The report was strongly hedged with warnings on the effect reduced 1975 business levels could have on the possibility of improving performance in future reports.

MCA is now seeking to extend its reporting system from the original 26 member companies to as many member companies as possible, with the next report to FEA and Commerce due September 1.

Meanwhile, Assistant FEA Administrator Sant has written a letter to the presidents of all MCA member companies, seeking to launch a new "company specific" phase of the program. The same letter has gone to executives in other energy-intensive industries involved in the energy conservation program. It has caused lively concern in all these industries, and prompted a series of high-level talks which are still in progress.

5. The Energy Outlook

It is the purpose of the following to present an update on the energy situation by reviewing the events of 1974 and recent times and giving some perspective of the outlook.

We have experienced an oil embargo and a fourfold increase in the price of internationally-traded oil. Consumption of oil within the United States was some 4% lower in 1974 than in 1973, whereas in recent years it had been growing from year to year at about 6%. While some failure to grow results from a weakened economy, there has been a noticeable reduction in consumption by virtue of the higher prices. Oil imports, which accounted for about 37% of U. S. petroleum supply, declined nearly a percent from 1973. Within this decline, crude oil imports rose while product imports declined.

U. S. natural gas production continued its decline. During 1974, the FPC increased the wellhead price for new interstate gas. Drilling for gas and oil in the United States increased significantly during 1974.

Because of financial problems and uncertainty over the growth of U. S. electrical consumption, U. S. electrical utilities cancelled or deferred 170,000 Mw of new projects, of which 110,000 Mw (65%) were nuclear. The nuclear plants were especially hard hit because they are substantially more capital-intensive than fossil-fueled plants. Effect is to reduce U. S. utility growth by 12% over the next decade.

U. S. coal production was nearly 600 million tons in 1974 - about the same as 1973. About one-third of U. S. coal now burned will not meet air quality standards taking effect in mid-1975. Substantial U. S. electrical capacity will have to shut down unless a regulatory accommodation is made.

Oil demand will stay fairly level during 1975 or grow slightly; adoption of the new tariff and excise taxes could cause as much as a 5% decline. It appears that domestic crude production will hold steady for the next year or so and that oil imports are likely to increase. Refinery capacity appears ample for at least the next three years. World petroleum supplies are adequate; some producing countries have reduced oil production during the year and rather pronouncedly at year end.

Decline in U. S. natural gas production is likely to continue for the next few years until price increases result in new onshore production or increased offshore leasing programs bring on new finds. Over the long term, the enhanced drilling program may bring on sufficient new supplies to arrest the rate of decline.

Developing a coherent national energy program is currently a major political football. The President has presented a program, later amended which has found little favor with Congress. The views of those in Congress, however, comprise many shades of opinion and only modest signs of compromise within Congress are now evident, much less progress on compromise with the President's position. This situation could well prevail through 1975. Mr. Ford has threatened to decontrol unilaterally "old" crude oil, which is now \$5.25 a barrel. By existing legislation, the Congress can countermand his order. He has recently announced a two year phase-down of control and is holding hearings this month.

Congress successfully removed the depletion allowance from all large or integrated producers in the oil industry.

REPORT TO THE BOARD OF DIRECTORS
MANUFACTURING CHEMISTS ASSOCIATION

R. M. BRENNAN, CHAIRMAN
INTERNATIONAL TRADE COMMITTEE

MAY 13, 1975

TRADE NEGOTIATIONS

A brief summary of the major aspects of the Trade Bill was presented. However, this report to the Board concentrated on the international trade negotiations and more specifically on meetings held in Washington, D. C. on May 8th and 9th, 1975 of Industry Sector Advisory Committee #5 - Chemicals, and the implications of this meeting.

The Trade Bill provides for three major avenues for industry input to the trade negotiations. These are:

1. International Trade Commission (Tariff Commission).
Called for hearings (or presentations of briefs) on import related matters. This is virtually completed and the ITC report is being written.
2. The Trade Policy Staff Committee (old TIC).
Announced hearings to begin in June. Will concentrate on export related matters.
3. Industry Sector Advisory Committees (ISAC's).
There are 26 such Committees from all parts of industry.

This latter avenue is the subject of this report.

How ISAC's Work (ISAC #5-Chemicals used as example)

Consists of 25 members from large and small companies. Each company gave individual input to Commerce/Special Trade Representative through government questionnaires. The questionnaires consisted of four basic parts:

- | | |
|-------------|----------------------------------|
| Offensive - | Tariff concessions sought |
| | NTB concessions sought |
| Defensive - | Tariffs of U.S. - protect or not |
| | NTB's of U. S. - protect or not |

In addition, two supplemental items - sector approach and access to key raw materials.

The Commerce Department summarized each company's individual input. Also, Non-ISAC member input was solicited. For example, all MCA members were apprised of this possibility. Some Non-ISAC inputs were received by the government.

The result of this input is the ISAR draft which we reviewed at the meetings last week. This report is "Confidential" (Classified) and, therefore, actual details cannot be discussed. The following are brief comments:

Part I of the ISAR is basically a review of the major segments of industry and per se is not controversial.

Part II is the key. It follows the offensive and defensive four part questionnaire mentioned earlier and the two supplemental items. There appears to be no major difficulty with concessions we (U. S.) seek of others, however, the section which deals with the treatment of U. S. tariffs provides some concern. By way of general example - ISAC members were requested to rate from #1 (no import impact) to #4 (serious impact) on a series of products. On several key products, there was a #1 and a #4 (no identification or weighting). These inputs, therefore, neutralized one another and the government can choose whichever course of action it desires. On balance, the ISAR does not truly reflect the industry's position and due to the nature of the system, may never do so.

The Trade Bill provides that if Industry advice is not taken, the negotiators must say why it was rejected. However, Industry will be hard pressed to prove that our advice was not taken!

As you can imagine, these are fresh, "hot-off-the-press" reactions and we have not yet had a chance to quietly think through the ramifications and implications of this situation.

REPORT TO THE BOARD OF DIRECTORS
MANUFACTURING CHEMISTS ASSOCIATION

D. M. LONG, CHAIRMAN
TRANSPORTATION EQUIPMENT COMMITTEE

MAY 13, 1975

This is my report on behalf of the MCA Transportation Equipment Committee. Herein, I will attempt to give you a summary of the current activities and future objectives of the Committee.

The Transportation Equipment Committee continues to direct its principal effort toward the solution of technical problems and the improvement of safety in the handling and transportation of industrial chemicals in tank cars, tank trucks, intermodal tanks, river barges and tankers.

From the standpoint of organization and personnel, TEC conducts its business under the same rules of organization in effect at this time last year. Our next change in officer personnel is due this coming June 1st.

At present, the Vice-Chairman of the Parent Committee is Mr. R. E. Phillips of Ethyl Corporation. Chairmen of our three standing Sub-committees are Messrs. J. R. Hopkins (Dow Chemical); J. T. Curtis, Jr. (U. S. Steel); and M. M. Anderson (Union Carbide).

The official body of the Committee consists of twenty-five Member Company representatives. In addition, technical assistance and advice is received through participation by representatives of the Bureau of Explosives (Association of American Railroads) and the Department of Transportation as Associate Members and representatives of the tank car building industry as technical advisors. Informal liaison is maintained with the National Tank Truck Carriers and the Truck Trailer Manufacturers Association. The Chairman of the Transportation Equipment Committee represents MCA on the Tank Car Committee of the Association of American Railroads.

Specific Items of Current Interest:

These items have been initiated by the Committee during the past year and are currently involving significant activity in the Committee:

- (1) New demands for improvements in tank car operational safety have fostered investigation of design changes of tank car valves, fittings, running gear, and the tank shell itself. Individual

studies are progressing on safety relief devices, safety vent materials, bottom outlet design, and on recommendations for safe outage limits in the filling of cars.

- (2) DOT jurisdiction of tank car loading and unloading procedures now extends into private sidings and manufacturing plants. Recommendations are being made to the DOT for regulation changes in these areas of commodity handling.
- (3) Audio-Visual Training Aids - A set of color slides with a tape cassette has been prepared for use in training plant employees in pre-trip inspection of tank cars and is now being placed into use by member companies and others in related industries. The Committee has also undertaken development of a similar training aid for tank trucks.
- (4) We just completed review of the MCA Technical Bulletins for which the Committee is responsible. The ones on unloading corrosive liquids, liquid caustic soda and caustic potash and flammable liquids were expanded to include recommendations for loading these materials. Recommendations for transferring flammable liquids to and from tank trucks were developed and published; development was initiated of guidelines for handling transportation spills and emergencies. Committee members also participated in review of the transportation section of several MCA Chemical Safety Data Sheets.
- (5) Tank truck and portable tank retest and inspection requirements are being studied for possible change in the Regulations.
- (6) Revisions of U.S.C.G. Regulations. Legislation, such as the Federal Water Pollution Control Act, and rule makings which apply to barge design and operation are being reviewed by our Marine Transportation Subcommittee. Specific regulations on oil pollution are now in effect and require constant surveillance on the part of waterfront installations and barge operators.
- (7) OSHA Regulations promulgated by the Occupational Safety and Health Administration have made it necessary to maintain a constant review of such regulations as they apply to personnel exposure and the handling of industrial chemicals.

Specific Items for Future Consideration:

- (1) Bottom Outlets on Tank Cars. For some time the Federal Railroad Administration has been considering the restriction, even prohibition, of bottom outlets on all hazardous materials tank cars. Many industrial chemicals are transported and handled daily in

tank cars equipped with bottom outlets. Unnecessary restriction in the use of these outlets would impose considerable hardship on the chemical industry, with little or no related increase in transportation safety or in loading or unloading of cars. Currently, a study of the design and service experience with bottom outlets and washout connections on tank cars is being completed by the RPI-AAR Tank Car Safety Research and Test Project. The Transportation Equipment Committee will review the results of this study and develop a recommended position for MCA.

- (2) **Regualification of Tank Trucks.** The Department of Transportation is considering the cancellation of authority for visual inspection as a means of regualification of tank trucks for continued service. Such a change to the Regulations would require hydrostatic or pneumatic testing for regualification of all tank trucks, rather than being optional in most instances, as now provided in the Regulations. The Committee will develop a recommended Association position on this matter.
- (3) **Metric System.** The Committee is reviewing the effect of a conversion to the metric system of measurements, as the conversion would apply to design, construction and operation of vehicles and vessels transporting chemicals.
- (4) **Inspection and Use of Unloading Hose.** DOT has indicated they may establish regulatory requirements for the inspection and retest of hose used to load and unload tank trucks, tank cars and tank barges. The Committee is developing a recommended course of action regarding whether hose regualification should be regulated, and if so, under which regulatory authority such regulations should be assigned, and specifically what the regulatory requirements should be.
- (5) **Docket HM 103 and 112.** Various aspects of the Hazardous Materials Board proposals under HM 103, the proposed Hazard Information (HI) system, and HM 112, the proposed consolidation of regulations for transportation of hazardous materials by rail, highway air and water, has been under review and study by the Committee. One of our most recent considerations is a review of definitions of terms used in the DOT Hazardous Materials Regulations.

Special Permits:

Special Permits are issued by the DOT to provide for the shipment of a hazardous material under conditions that are not provided in the existing Regulations. Because of requirements enacted in the Transportation Safety Act of 1974 (PL 93-633), DOT must cancel all special permits

by January 1, 1977, and instead, issue exemptions under more restrictive conditions as provided in this Act. Such action will not prohibit the shipment of a new material or type of material, but will serve to require a "housecleaning" of old special permits and require the submittal of justification and safety analysis related to the transportation of any material under conditions that are not recognized in the Regulations.

Public Law No. 93-633:

On January 3, 1975, President Ford signed into law the Transportation Safety Act of 1974. At the same time, William F. Coleman was appointed Secretary of Transportation. The new law materially broadens the power of the Secretary to regulate the packaging, handling, marking, routing, manufacturing and certification of containers. Further, compliance with regulations is to be strongly enforced, calling for stiff civil and criminal penalties and fines imposed on violators.

Public Law No. 93-633 allows state governments to increase their truck weight limits, up to a maximum of 80,000 lbs., per vehicle unit; this increase has already gone into effect in most states.

The National Transportation Safety Board, until recently operating as a part of the DOT, is now authorized by the new Transportation Act to conduct their operations as an independent agency of the Federal Government. Many of the investigation reports of transportation accidents issued by NTSB come to the attention of the Transportation Equipment Committee and require evaluation by our Committee should those accidents involve containers and commodities related to our work.

The furtherance of safety in the handling and shipment of hazardous materials continues as the primary objective of TEC.

Respectfully Submitted,

D. M. Long, Chairman
MCA Transportation Equipment Committee

CMA 070891

STAFF REPORT

by

William J. Driver

May 13, 1975

The House Ways and Means Committee is expected to begin tax reform hearings around mid-June. Committee Chairman Al Ullman (D-Ore.) plans to conduct hearings by panel discussions rather than in the usual manner. I have written to Mr. Ullman urging that public hearings be held on tax reform. The Tax Policy Committee is continuing to study various tax reform proposals and is preparing a position paper on those items of major significance to the chemical industry. If the Ways and Means Committee conducts public hearings on tax reform, we will ask to testify. If the hearings are restricted to panel discussions, we will attempt to place a chemical industry representative on one of the panels.

There is growing concern in the business community that amendments increasing foreign income taxation will be proposed during House and Senate consideration of energy and tax reform legislation. Most likely to be affected are the following: foreign tax credit, timing of taxation and Domestic International Sales Corporation. I have alerted Executive Contacts concerning these proposals and advised them to evaluate the effect of them on their companies. In addition, a tax orientation seminar on May 5 gave company representatives a better understanding of these tax provisions.

* * *

The Senate Commerce Committee has not reported out Senator Tunney's S. 776 and Representative Bob Eckhardt (D-Tex.) has not yet introduced a House toxic substances bill. The House Commerce Subcommittee on Consumer Protection and Finance, however, plans tentative hearings early in June on toxic substances legislation. MCA plans to testify, and it is possible several member companies will also testify.

* * *

On April 7 and 16 I wrote all Executive Contacts with regard to a letter of Roger Sant, FEA assistant administrator, initiating the "company-specific" phase of energy conservation reporting. Although I had urged John Roose, associate assistant administrator for industrial programs, to wait, the Sant letter was mailed to the presidents of all MCA member companies and presidents of companies in the other industries participating in the voluntary energy conservation reporting program.

For reasons outlined in my letters, the new program is objectionable to us and, we have learned, to the other industries. We are discussing this program with officials at the highest levels in Commerce and FEA. Pending the outcome of these discussions, we are delaying a formal reply to the Sant letter.

* * *

I met with allied trade associations on April 23 to discuss with them the potential problems a toxic substances bill poses for us. We enlisted their support in our efforts to obtain legislation which will be least offensive to the industry. Another effort to enlist support will be a seminar on issues related to toxic substances legislation. The seminar will be held in Washington during the third week in May.

* * *

MCA's Solid Wastes Management Committee has begun to analyze the several proposals that would amend the 1965 Solid Waste Disposal Act. In various ways the proposals increase the emphasis on resource recovery, especially energy. The committee has identified the more critical issues and has begun drafting a potential MCA position.

There are some uncertainties in the urgency of this proposed legislation, especially since it is understood that the Administration strongly prefers a simple two-year extension of present law as a way to hold down federal spending.

* * *

A task group from the Solid Wastes Management and Water Resources Committees has completed an informal review of a draft of EPA's proposed regulations on state underground injection control programs.

CMA 070893

Under the proposed regulations, to be printed June 15, states will exercise primary responsibility for the regulation of injection wells under authority of the Safe Drinking Water Act. The regulations will require an "underground injection control" permit, but present uncontested permits will remain valid.

* * *

We are now administering eight investigations supervised by the Technical Panel on Fluorocarbon Research. Three studies recently begun include one of reaction kinetics under Dr. John Birks of the University of Illinois. Another is a theoretical and experimental study of the spectra of chlorine oxides by Professor R. W. Nicholls of York University (Toronto).

The panel plans to select soon the contractors for mathematical modeling studies, since there is general agreement that political decisions on chlorofluorocarbons will be based on the predictions of such models.

* * *

Companies sponsoring ethylene dichloride research through MCA are trying to arrange participation in a long-term inhalation study about to be started under European auspices. Because of time, funds have been committed, although the protocol and business arrangements have not been completed. Other studies, such as mutagenic, teratogenic and metabolic, are planned.

* * *

An agreement has been signed with Dow Chemical Company to conduct toxicological research on vinylidene chloride. Most of the studies have already begun.

* * *

CMA 070894

We have supported the proposal of the U.S. Railway Association (USRA) to establish a viable rail system from the bankrupt railroads in the Northeast, while stating our belief that competition in the area should be maintained with existing viable carriers.

In a letter sent to USRA on April 18, I urged that emphasis be placed on prompt yard rehabilitation to eliminate potential bottlenecks and on a plan to insure an adequate supply of rolling stock and its distribution.

I said MCA endorsed the principle of track abandonment, but noted the concern of the shipping public, legislators and government officials over abandonment and our concern that some abandonment proposals may not have been based on current accurate traffic figures.

For that reason, we favor extension of a full federal subsidy program for a limited period of time. During this time, current data could be gathered, and abandonment proceedings could then proceed under an expedited procedure.

* * *

MCA has supported adoption of proposed Coast Guard regulations for mooring barges at fleeting facilities during high water conditions on the Mississippi River between Taft and New Orleans, Louisiana. We encouraged the Coast Guard to take the view that regulations governing each section of the river should be considered independently because of different traffic densities and current conditions in the various parts of the river.

* * *

The Consumer Information Subcommittee of the Public Relations Committee arranged 35 television interviews and at least 65 radio interviews of 19 member company representatives during the American Women in Radio and Television annual convention in Chicago, April 23-27. The Amoco Chemicals Corporation provided the equipment and studios for the television interviews. Those attending the convention received a plastic bag of MCA materials and gifts selected from products donated by 41 member companies. In addition, three drawings for door prizes were held daily. The 12 prizes, worth at least \$50 each, were donated by the companies of Consumer Information Subcommittee members. The MCA suite was one of the most popular at the convention, 410 out of 508 registrants signing the guest book.

CMA 070895

MCA's 7th Annual Chemical Industrial Relations Conference for plant and middle-management executives will be held in Houston on May 14.

* * *

CMA 070896