



Date 16 July 1979

INTEROFFICE
MEMORANDUM

Subject Impressions of New CMA and
Its Advocacy Role

To E. Donley

Executive

(Location, Organization, or Department)

From A. J. Diglio

Chemicals Mfg.

(Location, Organization, or Department)

These comments are based on observations as a member of the "new" CMA Environmental Management Committee and also as a member of the MCA Environmental Committees before the organizational changes. On this basis, the issues in John Henske's letter are addressed. I hope they will be useful to you.

Purpose of the Special Committee, It's Recommendations...
CMA Advocacy Role

There has been a dramatic improvement in the performance of the EMC environmental activities.

Our objectives and missions were defined early and clearly for each EMC Task Group by its Task Group leader and EMC sponsor.

The outstanding advocacy role effectively changed regulation for the benefit of industry. It also has changed EPA's role: from polite listener - providing us little or no influence on the regulations; to one of a negotiator - providing us significant beneficial changes in the regulations. Some examples are:

Litigation and
negotiation of
Section 311 -
Hazardous Waste
Spill Regulations

Avoided Chemical Industry analytical
and monitoring costs, alone, of up
to \$85 MM. Air Products was a co-
litigant along with CMA and others.

Litigation and
negotiation of
pretreatment
regulation

Avoided Chemical Industry costs by
obtaining removal credits for in-
dustrial dischargers to public
treatment works of up to \$624 MM.
Air Products is a co-litigant with
CMA and others. Air Product's per-
sonnel continue to sponsor and lead
the Task Group on this issue.

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Litigation and negotiation of NPDES Regulations

EPA has announced they are willing to negotiate on these regulations with CMA.

Prevention of significant deterioration and non-attainment regulations litigation

In a recent court decision, CMA has won several issues that will avoid significant costs for the industry.

These advocacy successes are estimated to avoid the chemical industry and indirectly our society capital costs of hundreds of millions of dollars for unnecessary pollution control.

Present Structure - Implementation of Re-organization Plan

The number of committees, task groups and more carefully selected personnel from member companies in CMA environmental activities have been reduced and their effectiveness has increased compared to the previous organizational structure. The Environmental Management Committee consists of 15 members, who sponsor 16 Task Group leaders with five to six individuals per group for a total of approximately 105 people. The issues for the Task Groups were selected on a priority basis. This compares to the previous MCA organization of 3 Environmental Committees of ninety members; 47 Task Groups and subcommittees, totaling 330 people working on many more issues.

The improvement in performance may be attributed to the re-organization which:

- Caused the CMA staff to be supportive of the activities rather than a bottle neck and source of internal conflict between members of companies and MCA staff.
- The direct communications of committee chairman on important issues to executive committee.
- The new CMA staff executive personnel.
- Increased CMA professional and non-professional support activities.
- Budget expenditure increase to support the necessary activities. Environmental activities expenditure:

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Environmental Committees Expenditure
Approximate (M\$)

<u>FY</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
R&D	43	250	647
Legal	0	500	400
Staff	100		400

The CMA staff provided excellent complementary support in a co-operative spirit. The MCA has greatly improved their professional as well as non-professional supportive services. Their non-professional supportive services could use greater improvement.

The EMC felt that the ability to communicate directly to the Executive Committee on key issues, resulted in its timely approval of funds, appropriate decisions by the Executive Committee and enhancement of the CMA staff and committee activities. These are key to the improved performance of the new organization. I believe these characteristics of the re-organization should be carefully preserved.

I feel the re-organization is on course and on target.

Preserved Needs - Present and Future

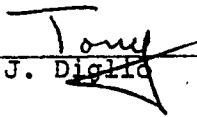
I visualize improvement in these areas may enhance CMA effectiveness:

- Diligently synthesizing efforts of other organizations with same goals as CMA e.g., AIHC, API, SPI, SOCMA, Fertilizer Institute, Pharmaceutical, etc. Aggressively seek out such organization with common goals as CMA and unify their activities towards its achievement.
- Provide long range strategies by developing five and ten year goals, objectives and forecasts.
- Communications to the private, public and government sectors to improve chemical industry image and present the true facts concerning environmental regulations, benefits and cost to the public. EPA has impressive public relations activity.
- Each committee should have responsibility for justification and control of the expenditure of its budgeted funds. However, in order to not pre-empt critical unforeseen non-budgeted activities, an approval mechanism should be provided for the committee e.g., Eckhardt Survey Questionnaire data processing will cost a non-budgeted \$100 M.

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- Communication and liaison between complementary CMA committees.
- EPA is informally setting guidelines for state legislation that may offset the CMA federal legislative and regulatory gains. It is suggested a program be developed by CMA staff for executive committee approval to counter this situation.


A. J. Diglio

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