

TO: R. D. Gamblin

~~TGG: JGL:~~ MMG: AJO: RF

XF: None

FROM: T. G. Grumbles

DATE: June 26, 1989

SUBJ: RESPONSES TO CMA EXECUTIVE ALERT

Following are comments and suggested actions on the action items from the April 21 CMA memo attached.

1. Adopt the CMA Chemical Release Reduction Policy as corporate commitment and operating procedure.

Response: The Chemical Release Reduction Policy has been communicated within the company. Adoption of the policy will effectively be done with approval and continued implementation of the Environmental Policy Statement and Responsible Care Activities.

2. Designate a contact for international health and safety and environmental issues (use the Response Form at the end of Attachment B).

Response: Joe Ledvina and Bill McClain are splitting this activity. CMA was given their names before the May 15 deadline.

3. Members are encouraged to conduct their advocacy within the new CMA Policy, thereby demonstrating unity and giving the Association increased strength in protecting the chemical industry's unique interests.

Response: This type of Federal Advocacy would be a new activity for us, at least in the safety and health areas. A proposal on how to proceed would include:

1. Determine what state associations (LCA, CIC, etc.) are doing, if anything, and input through our contacts at that level.
2. Draft a letter or position statement for individual plants to send to federal legislators in their area.
4. Review the status of your initiative fund "pledge" commitment and be prepared to respond quickly to the Massachusetts request when it comes so that our collective resources can have the maximum impact. The request will detail the recipient and the exact level of need and use of the funds.

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R. D. Gamblin Memo
June 26, 1989
Page 2

Response: This bill obviously impacts Blane. Blane is a member of the Massachusetts Business Council. Thoughts on steps to take.

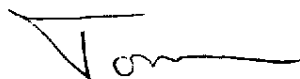
1. Assure Draper and Blane are aware.
2. Determine what the Massachusetts' state group is doing and what Blane's involvement is. I believe their participation would meet our CMA commitment. CMA is working hard to make the state groups more active in a "grass-roots" fashion.
5. Continue advocacy efforts to achieve federal product liability and state tort reform legislation. No financial contributions are requested at this time.

Response: As stated in Number 3 above, this would be a new activity for us. This is one where Legal needs to be involved. I'll check to see if they are at this time. No specific recommendation at this time.

6. Review your company's participation in Chemtrec and supply MSDSs to the center if you have not done so. CMA staff will be following up with those who are not currently participating.

Response: This specific issue will be discussed on the 28th at the CTIRP Management Committee meeting. Currently, no one has specific responsibility for this. It probably will become my groups based on our control of the product MSDS's.

In summary, Items 3, 4, and 5 require some action if we choose to do so. Please let me know when we can discuss the next step. Also, is there a way we can improve dissemination of this information? The letter was received in April with a May 15 deadline.



T. G. Grumbles

dlj

VVV 000010709

Executive Alert

April 21, 1989

ACTION ITEMS FROM THE APRIL BOARD MEETING

At their April 6-7 meetings, CMA's Board of Directors and Executive Committee took action on a number of important policies and programs of significant interest to the membership.

While some of the items are included in this alert only for your information, many will require actions on your part - either now or in the months ahead. Therefore I urge you and your senior staff to review them carefully and to respond if action is requested.

ITEM

ACTIONS REQUESTED

o Chemical Release Reduction Policy and Program.

A major voluntary Association policy and supporting action program developed to meet the challenge presented by the Title III/Section 313 release data and the attendant legislative and public concern about the volume and effect of chemical industry releases was approved. The policy and program encourage member companies to increase their efforts to reduce environmental releases from their facilities.

Attachment A contains the full text of the policy, a question and answer piece, and a description of the support programs.

CMA Staff Contact: David Carroll (202) 887-1164.

- o International Advocacy. A program for improving the chemical industry's international advocacy was approved, based upon the recommendations of a Board task group chaired by Frank Popoff, CEO of The Dow Chemical Company. The complete recommendations for CMA and member company action are detailed in Attachment B which I encourage you to review and implement in your company.

- ① o Adopt the CMA Chemical Release Reduction Policy as corporate commitment and operating procedure.

- ② o Designate a contact for international health and safety and environmental issues (use the Response Form at the end of Attachment B).



CHEMICAL
MANUFACTURERS
ASSOCIATION

2501 M Street, NW
Washington, DC 20037

202-887-1100
Telex 89617 (CMA WSH)

VVV 000010710

CMA Staff Contact: Garrity Baker (202) 887-1338.

o Occupational Disease Notification Legislation.

Responsive to the varying views on this issue which were evident within CMA's membership during the past Congress, the Board has approved a revised set of legislative principles and a new legislative posture (Attachment C). We believe this posture fairly represents the industry's commitment to the concept of notifying worker's about risks while recognizing the concerns raised by many members about the need for and content of proposed legislation. The Board also agreed that since the new posture does not now place CMA in a position of either support or opposition to current legislation, individual companies will have the maximum flexibility in advocating their own position without the necessity of filing a dissent (Greenbrier) notice with the Association.

CMA Staff Contact: Tim Burns (202) 887-1124

o Massachusetts Toxics Use Reduction Legislation.

We have been keeping you informed of the evolving legislation in Massachusetts mandating toxics use reduction and the strong possibility that activist groups will move to make this a ballot initiative later this year.

About one year ago the Board requested that you make a commitment (pledge) that funds would be available to contribute to a state initiative campaign, or a preinitiative legislative campaign, if the Board determined this was necessary and appropriate. These funds would not be used for political contributions, but for a substantive issues and grassroots campaign to protect our interests in a legislative or initiative campaign.

o Consider nominating an individual to serve on the new CMA International Affairs Committee or one of its task groups. A job profile for committee members is included (Attachment B - Exhibit 3). Please respond by May 19.

③ o Members are encouraged to conduct their advocacy within the new CMA Policy, thereby demonstrating unity and giving the Association increased strength in protecting the chemical industry's unique interests.

④ o Review the status of your initiative fund "pledge" commitment and be prepared to be to respond quickly to the Massachusetts request when it comes so that our collective resources can have the maximum impact. The request will detail the recipient and the exact level of need and use of the funds.

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It appears that we will be triggering those pledge funds in the months ahead in Massachusetts. The Board has preapproved the request of its State Initiative Work Group, chaired by Roger Hirl of Occidental Chemical, to do so if and when it becomes necessary.

CMA Staff Contact: Joan Riley (202) 887-1268

- o Federal Product Liability Reform. In the Association's effort to support federal product liability reform legislation, CMA's Officers have authorized a \$150,000 CMA donation to the Product Liability, Coordinating Committee, the industry group coordinating the overall business community effort on this issue. With this CMA contribution, the Officers believe that the chemical industry and CMA's member companies are providing their fair share of the financial contribution to this effort and that additional individual company contributions would not be expected.
- o Continue advocacy efforts to achieve federal product liability and state tort reform legislation. No financial contributions are requested at this time.

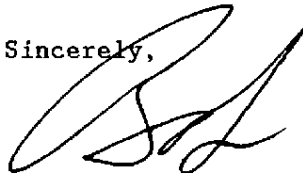
CMA Staff Contact: David Zoll (202) 887-1350.

- o MSDSs To CHEMTREC. In order to assure the best possible data and support to local emergency responders, the Board has adopted a policy requiring all participants in CHEMTREC to provide their MSDSs to the center. With recent enhancements in CHEMTREC's data processing capabilities, this is now a relatively easy and quick procedure.
- o Review your company's participation in CHEMTREC and supply MSDSs to the center if you have not done so. CMA staff will be following up with those who are not currently participating.

CMA Staff Contact: Joe Mayhew (202) 887-1254

The April Board agenda was testament to the increasing challenges being presented to this industry and the proactive response programs being developed by the Association to address them. I strongly encourage your personal attention to the above action items.

Sincerely,



Robert A. Roland
President

VVV 000010712

Enclosures

CHEMICAL RELEASE REDUCTION POLICY AND PROGRAM

CMA's Board of Directors at its April meeting approved a new policy encouraging member companies to increase their efforts to reduce environmental releases from their facilities. This policy and accompanying program were developed at the Board's request to address public concerns associated with the level of SARA Section 313 releases and the likely use of these reports in future years to measure industry's performance. Recent press releases by members of Congress advocating extreme air toxics legislation underscore the importance of this initiative.

The policy and program are the products of eight months of intensive work by health, safety, environmental, communications, and legal experts from the member companies and numerous discussions with the Association's Officers and Board of Directors. In addition, the final policy and programs reflect the input we received at the March 1, 1989, open meeting for all member companies and state chemical industry council representatives.

This policy builds upon CMA's existing Air Quality Policy and Waste Minimization Program by extending waste reduction efforts to all environmental media and striving for long term continuous improvement in achieving reductions. The Board believes such an effort will demonstrate industry leadership and respond to public concerns by voluntarily reducing releases and thereby further increasing the margin of safety.

It is envisioned that many of these same policies and programmatic elements ultimately will be incorporated into a Responsible Care Code of Management Practice. This code, currently under development, will be ready for implementation by mid-1990 following extensive reviews involving member companies and others.

The complete policy statement is enclosed (Attachment A1). The policy is designed for local implementation using the following process:

- o inventorying releases to all media using SARA Section 313 reports as a base;
- o evaluating release reduction opportunities and establishing priorities;
- o formulating release reduction plans; and
- o periodically communicating progress and future plans to employees and the public.

To assist member companies in developing a better understanding of the policy and its implementation, a question and answer piece (Attachment A2) has been prepared. This document also addresses most of the questions raised at the March 1, 1989, open meeting of CMA member companies.

Because the Board of Directors believes this is the appropriate action to take, and this is the right time to take it, we are looking for the voluntary participation of all CMA member companies. Your full and continuing support is essential to a successful implementation of the policy and program. Because of the significance of this initiative to the industry, I urge your personal attention to assuring the implementation of the policy and program at the local level.

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CHEMICAL RELEASE REDUCTION POLICY

CMA will continue to promote, among its member companies, practices that protect the safety and health of employees and residents of communities in which they operate. Our industry's goal is to assure that employees, communities, and the environment are not adversely affected by releases from our operations and to encourage others, including our suppliers and customers, to achieve the same goal.

CMA understands the public concern regarding health effects from releases into the environment. CMA also believes better information on the effect of these releases is needed to assure fully informed action by government, industry and the public. Therefore, existing Association activities will be consolidated to bring greater focus to this effort so that the industry's performance will be improved and the margin of safety increased. In addition, CMA member companies will increase their efforts to reduce releases to the environment and to increase the understanding of potential health effects from these releases.

This CMA policy, recommended for local implementation by each member company, includes the following elements:

- 1) Using SARA Section 313 lists as a base, inventory releases to all environmental media. Chemicals other than those covered by Section 313 will be included as appropriate.
- 2) Establish reduction priorities for the inventoried releases based on factors including their potential health and environmental impact and the level of community concern.
- 3) Based on this prioritization, formulate a release reduction plan. Reductions may be achieved by many methods, but in general, preference should be given to making the reductions using the following:
 - o Source reduction.
 - o Recycle/Reuse.
 - o Treatment to reduce volume and/or toxicity.
- 4) Initiate a system to periodically communicate release reduction progress and future plans to employees, and the public.

In addition, to increase understanding of the effects of chemical releases, CMA will work with member companies and others to better determine the concentrations of chemicals in the environment and potential health effects. Finally, in implementing all of the above, CMA will foster assistance to smaller plants and companies.

April 7, 1989

VVV 000010715

CHEMICAL RELEASE REDUCTION POLICY
QUESTIONS AND ANSWERS

1. Is this a non-growth policy? How can this policy be reconciled with the need for expansions? How are opportunities for emission offsets (needed for air permitting) to be preserved?

Answer: This policy envisions a sustained downward trend in total emissions. However, the method of achieving reductions is left to the needs of the individual member companies. Voluntary emission reductions may be eligible to be banked with appropriate governmental agencies. Any plan for emission reduction must also plan to accommodate expansions. Public perceptions may ultimately require an emission reduction type program just as a condition to be able to construct or expand. Several states already have proposed such regulations. The policy is not a no-growth policy; rather, it is a policy of balancing future expansions with future emission reductions.

2. Won't this policy have enormous economic consequences?

Answer: Emission reductions may or may not have a huge price tag. Some reduction projects, like fugitive emission abatement, tend to pay for themselves in recovered materials. Other projects may increase the price of doing business. However, industry must be willing to invest in plans that will lead to a future with fewer emissions. The creed of responsible care is that all of industry will improve itself constantly.

3. If all of industry is to be affected, how do we ensure fair and equitable reductions? How do we prevent competitive advantages among CMA member companies and with other industry segments?

Answer: The release reduction policy is predicated on making reductions that are economically and technically sound. The policy does not envision enforcing competitive disadvantages on member companies by usurping their decision-making processes. In addition, this policy will actually make our industry more competitive than those which do not embrace its concepts. Release reduction will cause less waste, improve efficiency, and make the industry a superior competitor.

4. Why does this policy endorse control for control's sake? Why should emissions be reduced below health-based standards? Why should emissions be reduced below levels allowed by statute, regulation, or permit?

Answer: The public does not endorse the concept of "permitted" releases. The public desires an increased margin of safety as a goal. Acceptable emission levels based on environmental concerns are usually lower than those that are acceptable for health-based standards. If the policy is to address the concerns of the public, it must require sustained reductions.

REGIONAL MONITORING AND MODELING PROJECTBACKGROUND

According to a recent survey, the public believes that "toxics" released to the air, surface water, or groundwater are a health threat. Limited monitoring data indicates that there are very small concentrations of chemicals in communities. The objective of this project is to fill a void by providing more information on the concentration of chemicals in ambient air. Having this information will lead to a more meaningful interpretation of health effects and help industry set priorities for reduction efforts. The EMC, in the future, will make appropriate recommendations on possible subsequent phases addressing surface and groundwater programs.

Industry sponsored monitoring and modeling programs have provided useful information in at least three areas. This project seeks to expand regional monitoring to additional areas through local industry funding with CMA and CIC leadership assistance and technical support. Top priorities include an appropriately selected industrialized area of New Jersey, California, and the Kanawha Valley of West Virginia along with an expansion of activities in Texas and Louisiana. Other important areas that should be considered include the Buffalo/Niagara Falls, Chicago, Cincinnati, Cleveland, and Philadelphia areas.

PROJECT DESCRIPTION

CMA will gather available published data into a central reference system, e.g., Houston Regional Monitoring (HRM) data, Bay Area Air Toxics Study, EPA indoor air study, and voluntary member company data development. This central reference system on monitored data will then be supplemented with data from new regional monitoring projects. CMA will develop regional dispersion model and sampling protocols on an expedited schedule to guide these efforts. A contractor will be used to develop the modeling/monitoring protocols by June 1989. The total direct CMA cost for protocol development and data management will be \$75,000. A non-industrialized control region is needed to put into perspective the results from the five to ten regional monitoring projects. CMA will coordinate such a control program for the Washington, DC area, for at least one year, at a cost of \$100,000.

Other than the CMA database and protocol development and the Washington D.C. monitoring control project, local industry will be responsible for the direct cost associated with program development and implementation. Total costs for HRM's program, using six monitoring stations, is approximately \$500,000 per year. EMC believes that these costs can be reduced through limited, statistically-based sampling. Coordinated efforts with state agencies and other credible third parties also will be encouraged. It is hoped that additional regional monitoring will be underway by the end of 1989, with Washington, D.C. data being available somewhat earlier. Board of Directors active participation will be necessary to establish appropriate local regional monitoring programs.

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COMMUNITY HEALTH EFFECTS EVALUATION PROJECT

BACKGROUND

Evaluating the effect of chemical exposure on community health is central to address the public's concern about chemical releases. Clear and widely accepted scientifically-based methods to identify safe levels for the public's exposure are essential to explain the meaning of Title III releases and critical to avoiding unreasonable controls under health-based environmental regulations.

PROJECT DESCRIPTION

After evaluating a wide range of options, the Ad Hoc Work Group and the HSC have agreed that the CMA Community Health Effects Evaluation Project should fund an outside organization, such as CIIT or a university, to develop, clarify and gain consensus on methods for evaluating community exposure health effects. Consensus building activities will include efforts to increase governmental and public acceptability of the measures used. Pending Board of Director's approval of this project, the Ad Hoc Work Group will solicit proposals and work plans from qualified research centers and universities.

The cost of conducting this project is estimated to be approximately \$250,000 over a two-year period. The longer term application of the consensus method(s) to specific substances entails additional costs and is beyond the scope of this project. The HSC will make appropriate recommendations on longer term projects as their need becomes more clearly defined.

ASSISTANCE TO SMALLER COMPANIES PROJECT

BACKGROUND

CMA and its member companies have a proven record for the successful implementation of the Community Right-to-Know provisions of Title III. In order to address effectively EPA's publication of the Section 313 data, implementation of the proposed Chemical Release Reduction Policy will require a similar industry-wide commitment. To achieve this objective, CMA member companies will need to provide technical assistance to their customers, suppliers, and smaller companies to reduce environmental releases and to enhance their overall environmental, health and safety programs.

PROJECT DESCRIPTION

To assist smaller companies, CMA will develop training materials for use by member companies, state chemical and business organizations, and members of the Council of Chemical Association Executives (CCAEE). CMA will use existing guidance/reference materials and develop supplemental resource materials to fill gaps.

Second, CMA will co-sponsor training workshops with CIC's and CCAEE members. Third, CMA will develop training materials that member companies can use with their customers through existing product stewardship programs.

Finally, CMA will establish a Resource Center for companies to contact for training assistance. Upon request, the Resource Center will send a list of available training materials, supply dates for upcoming CMA workshops, and/or provide information about training available from CICs and others.

A phased in approach for developing training modules will be used. Training modules that use existing materials will be available this summer. Additional modules using new training materials will be available later this year and early next year. CMA outside purchased services to develop and conduct these training activities will be approximately \$50,000 in FY 89/90, and approximately \$25,000 in the subsequent fiscal year.

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INTERNATIONAL ADVOCACY RECOMMENDATIONS

ACTION REQUEST

At the April meeting of the CMA Board of Directors, the Board approved a series of recommendations to improve CMA's international advocacy program. The recommendations address the management of international issues within member companies and within CMA, and the relationship of CMA with foreign chemical associations, other business groups, and intergovernmental organizations. The recommendations were developed by a Board level task group chaired by Mr. Frank Popoff of The Dow Chemical Company. Please review the recommendations approved by the Board of Directors and take these steps:

- 1) Review your company's management of international issues in view of the recommendations on international advocacy. To be effective, CMA's program must be solidly based on company participation in international advocacy. As part of this review, redesignate a company contact for international health, safety and environmental issues. Please return the enclosed form for this purpose by May 15.
- 2) Review the charter for the new CMA International Affairs Committee and nominate a qualified person for membership and participation by using the enclosed form.
- 3) Provide increased focus and priority within your company on these recommendations, on the importance of international advocacy, and on specific international issues as they arise.

(_____ represents your company on the International Affairs Group, predecessor to the new International Affairs Committee.)

To help your company respond, I have enclosed a summary of the recommendations, the charter and a member profile for the new International Affairs Committee, and a response form. Please contact R. Garrity Baker, Director of International Affairs (202/887-1338), if you have any questions about this request or the recommendations approved by the Board of Directors on CMA's international advocacy program.

BOARD ADVOCACY COMMITTEE
SUMMARY OF RECOMMENDATIONS ON INTERNATIONAL ADVOCACY

The Board of Directors approved a series of recommendations for strengthening the management of international issues within CMA and within member companies. The recommendations are highlighted below.

1. Create an International Affairs Committee -- CMA should create a new standing committee, to be known as the International Affairs Committee, to coordinate and advocate CMA policy on international health, safety and environmental issues, including transportation.
2. Form an International Chemical Council -- CMA should continue to pursue the proposal to create an international council of chemical manufacturing associations. An international council would enhance CMA's current program for international advocacy by coordinating activities at a high-policy level; providing a forum for an ongoing dialogue about the issues facing the chemical industry; and, giving the chemical industry, with the International Affairs Committee, another way to interact directly with intergovernmental organizations.

CMA should also coordinate advocacy with domestic, foreign, and international organizations active on international issues.

3. Review Company Participation -- Companies should review their management of and participation in international advocacy so that CMA's program has the company participation necessary to be effective. Companies should assign persons to manage international issues; nominate their manager of international issues to the International Affairs Committee and its task groups; and give these persons the time and resources to be contributors to CMA's international advocacy program.

Companies should also designate CMA contacts for international advocacy and communicate within the company on the importance of international advocacy and on specific international issues.

4. Modestly increase the CMA staff and resources that support international advocacy, and increase the overall priority of international advocacy.
5. Integrate international advocacy into the programs of other CMA standing committees.
6. Recruit foreign companies with U.S. manufacturing facilities into CMA.

**Charter
CMA International Affairs Committee**

Purposes: With respect to international health, safety and environmental issues significant to the chemical manufacturing industry, the Committee will:

- . monitor activities on such issues;
- . develop policy recommendations, coordinating with the relevant CMA committees, for Executive Committee and Board of Directors consideration;
- . advocate positions and policies on international issues with other organizations;
- . foster communications within member companies; and,
- . act as the focal point on these issues with other chemical and business associations.

The International Affairs Committee will maintain an international perspective and will seek to manage issues with proactive advocacy. To perform this function, the Committee will work closely with the other standing committees of CMA. In addition, the Committee will work with U.S. Government representatives; domestic, foreign, and international industry associations; and, intergovernmental organizations (e.g., European Community, Organization for Economic Cooperation and Development, and United Nations).

CMA
BD 4/6/89

VVV 000010722

April 18, 1989

CMA International Affairs Committee

I. Member Profile

Companies should nominate their managers of international health, safety, and environmental issues to the International Affairs Committee and its task groups where appropriate; these persons must be given the time and resources to be effective contributors to CMA's international advocacy program. In the case of the new International Affairs Committee, candidates should:

- o have a role in the management of international issues within the company;
- o have a mandate to actively participate and contribute at least 20% of their time to CMA activities;
- o have capability for international travel to support international advocacy;
- o have experience in international management of issues such as product safety/regulation, plant safety, environmental management, or transportation safety;
- o have a senior position within the company so that the person can coordinate company policy internationally and communicate with overseas divisions of the company; and
- o have access to technical resources within the company as needed for technical support on international issues.

II. Committee and Task Groups

The International Affairs Committee (IAC) will function as a CMA standing committee of fifteen members. In addition the committee will form task groups as needed to perform its duties. Tentative plans for the International Affairs Committee include task groups on these issues:

- A. Chemical control laws
- B. Hazard Communication/Right-to-know
- C. Chemical accident prevention, preparedness, and response
- D. Environmental management
- E. Transportation
- F. Liability and legal issues

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Attachment B
RESPONSE FORM

Please complete this form by May 15 and return to:

R. Garrity Baker
Director of International Affairs
Chemical Manufacturers Association
2501 M Street, N.W.
Washington, D.C. 20037

Executive Contact

Name: _____

Company: _____

1. I designate the following person to be my company's contact for international health, safety and environmental issues:

Name: _____

Title: _____

Address: _____

Phone: _____

2. A. I nominate the following person for membership on the International Affairs Committee:

_____ Same as above; or,

Name: _____

Title: _____

Address: _____

Phone: _____

- B. The candidate named above would be interested in task group(s) on these issues:

- | | |
|---|-----------------------------------|
| ___ 1. Chemical control laws | ___ 4. Environmental management |
| ___ 2. Hazard communication/
Right-to-know | ___ 5. Transportation |
| ___ 3. Chemical accidents | ___ 6. Liability and legal issues |

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CMA POSITION ON OCCUPATIONAL DISEASE NOTIFICATION LEGISLATION

CMA supports the principle that workers who are at increased risk of contracting disease because of workplace exposure to chemicals should be notified as accurately as possible of that risk.

During the last session of Congress, CMA supported worker notification legislation sponsored by Senator Metzenbaum and Representative Gaydos. That was an extremely controversial and divisive decision within our industry. Because legislation has again been introduced, CMA has carefully reconsidered its position on this legislation.

Although we reaffirm our support for the principle of worker notification as stated above, CMA has not reached a consensus to support the legislation that has been introduced in this session. The issues presented by this legislation of greatest concern to our members include the following:

- The program established by the legislation may substantially increase litigation against employers.
- OSHA is the proper authority to be charged with protecting workers' health. If additional authority is needed in this area, that authority should reside in OSHA.
- Where notifications are required, employers should have the right to make the notices.
- The worker-removal provisions would constitute an intrusion into employer/worker relationships.

CMA has adopted an inclusive list of legislative principles in the worker notification area that address these and other concerns. CMA will not oppose legislation that satisfactorily incorporates these principles.

4/89

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