

Chemical Manufacturers Association
Government Relations Committee Meeting
MINUTES OF MEETING

September 9, 1988

GRC-179-1

MEMBERS PRESENT

Jeremiah J. Kenney, Jr., V. Chairman	Union Carbide Corporation
Lewis F. Gayner	Dow Chemical U.S.A.
Clifton T. Hilderley	Ashland Oil, Inc.
Charles H. Rowton	Exxon Corporation
Harold S. Russell	FMC Corporation
Herbert K. Schmitz	ICI Americas, Inc.
Ralph D. Schumack	Dow Corning Corporation
Robert E. Smith	Olin Corporation
Timothy F. Burns, Staff Executive	Chemical Manufacturers Association

PRESENT BY INVITATION

Julie Archuleta	Occidental Chemical Corporation
R. Garrity Baker	Chemical Manufacturers Association
Bradly A. Broadwell	Chemical Manufacturers Association
Wells Denyes	Eastman Kodak
Carol Elzey	W. R. Grace & Company
Thomas Finnigan	Union Carbide Corporation
Thomas Helscher	Monsanto Company
Robert B. Hill	Chemical Manufacturers Association
Philip C. Holladay	Shell Chemical Company
Graham Jackson	Nalco Chemical Company
William T. Lyons	CIBA-GEIGY Corporation
Karen Neale	Chemical Manufacturers Association
Linda Otterson	Chemical Manufacturers Association
John W. Rauber, Jr.	Chemical Manufacturers Association
Rose Marie Sanders	Chemical Manufacturers Association
Kaye Stinson	American Cyanamid
William M. Stover	Chemical Manufacturers Association
Edlu Thom	W.R. Grace & Company
David Thomas	Eastman Kodak Company
Eileen M. Winkelman	Chemical Manufacturers Association
Ron Wolsey	Amoco Company

The meeting was called to order at 8:30 a.m. by Vice Chairman Kenney.

I. COMMITTEE BUSINESS

A. Minutes of the August 12, 1988, meeting were approved.

B. Schedule - The following announcements were made:

1. Next GRC meeting will be held Friday, October 14, at CMA.

CMA 080564

2. CHEMICAL FORUM - Tuesday, October 4, 1988, Vista International Hotel. Guest Speakers: Mort Kondracke and Fred Barnes, both Senior Editors, The New Republic.
3. Briefing Breakfast - Thursday, September 22, Madison Hotel.
4. Board of Directors and Executive Committee Meetings, September 12-13, Laguna Niguel, California.
5. GRC - Open Meeting, Thursday, November 10, Madison Hotel.
6. CHEMICAL FORUM, Thursday, November 10, Madison Hotel.

Mr. Stover advised that GRC Chairman Brown would report to the Board of Directors and Executive Committee at the September 12-13 meetings in Laguna Niguel, California. Mr. Brown's report will include a summary of 3-4 legislative issues; aspects of the Presidential campaigns; the GRC Planning Conference message on the vulnerability, demands, and resources of the Washington company offices. Mr. Burns added that Mr. Brown would also report on the GRC work groups recently created to monitor and input into the campaigns, leading to input to the transition team of the new Administration.

The November CHEMICAL FORUM Luncheon will be held in conjunction with the GRC open meeting. A guest speaker will provide a retrospective of what happened in the election, the reasons for the outcome, and what to expect from the new Administration.

As was announced at the GRC Planning Conference, Tim Burns is the Staff Executive of the Government Relations Committee.

II. PROGRAM REPORTS

- A. Candidate Information Task Group - Mr. Broadwell reported that a "Get Acquainted" session held on September 8 for Representative James A. Hayes (D-7-LA) was well received.
- B. Grassroots Task Group - Ms. Archuleta reported that the Task Group was in the process of forming a joint work group to implement the anticipated recommendations of the Advocacy Committee to be applied at the State level.

III. ISSUE REPORTS

The following comments were offered to supplement the reports in the meeting book:

- A. Biocides Legislation - Mr. Kenney reported that the CMA Biocides Panel has requested assistance from the GRC in addressing the impact on the biocides industry of new FIFRA legislation. The Chairman will appoint a GRC Biocides Task Group to assist the Panel.
- B. Clean Air - Mr. Holladay reported on activities in the Senate. The United Mine Workers has come forward with an acid rain proposal which is under consideration by the Senate Leadership. In the House, discussions between key Members continue -- staff

is at work trying to fashion legislative language on non-attainment which takes into consideration agreements already made. With regard to acid rain, the House is waiting to see what happens in the Senate. Mr. Holladay commented on activities at EPA regarding air toxics standards. The EPA staff is preparing a proposal to take to the Hill. Activities of the Clean Air Work Group were discussed - there is no change in the CAWG position on air toxics. The group also discussed activities in the Senate Environment and Public Works Committee on an air toxics proposal. The GRC agreed that we should continue to work with EPA and the Senate staff with regard to the CMA position on the issue, and to stress that there is no change in the CMA position.

- C. Chemical Diversion - Mr. Baker commented on a new Senate drug bill which is expected to be introduced next week. The task group has communicated with key staff people regarding four issues of concern in the latest draft. In the House, the Omnibus Drug Bill is being considered on the floor today (September 9).
- D. Energy - Mr. Thomas reported that the CMA Energy Committee next week would begin the process of developing a white paper for use in advocacy efforts with the next Administration and Congress in anticipation of efforts to construct national energy policy.
- E. RCRA - Mr. Rowton reported on a RCRA bill to be introduced by Senator Baucus (D-MT) today. Copies of the bill and a section-by-section summary were provided the GRC. Hearings are expected to be held on September 23 and 26. The most troubling part of the bill is the waste minimization performance standards section. The bill is being reviewed by the Environmental Management Committee staff, and a decision will be made regarding testimony. In the House, it is expected that the Wolpe waste reduction bill (H.R. 2800) will be brought to the Floor in late September.
- F. Title III - Ms. Winkelman advised that the Natural Resources Defense Council report on toxic air pollution in the State of Maryland is available (handout). The report lists the top 20 chemicals, along with the top 10 emitters in the State, with the assertion that the emissions are not controlled. The CMA Technical and Communications Departments are reviewing the report and will prepare a response.
- G. Transportation - Mr. Finnigan reported that the Senate Commerce Committee has scheduled a September 20 mark-up on amendments to the ICC Reform Act. Senators Adams (D-WA) and Rockefeller (D-WV) are the two key players on this issue. Individual companies which have concerns are encouraged to make those concerns known to members of the Commerce Committee.

Messrs. Hilderley and Kenney commented on a possible strike by the Chicago and Northwestern Railroad. A joint resolution regarding the strike was introduced by Senator Simon (D-IL) and

passed by the Senate last night. The strike would affect a great number of chemical shippers. Mr. Finnigan stated that the House was expected to move quickly on the Senate resolution.

- H. TSCA - Mr. Kenney reported that CMA had sent a letter to every member of the Environment and Public Works Committee expressing support for the house-passed H.R. 3070, and opposition to S. 2693, which would shift regulation of PCB's from TSCA to RCRA. Timing in the Senate is uncertain.
- I. Taxation - Mr. Hill reported that the IRS on August 29 published a list of products considered as gasoline blend stocks and additives that will be subject to the gasoline excise tax. The list, with one exception, is the same that CMA provided during its testimony, last January, before the IRS. Two other items of interest -- the Windfall Profits Tax on petroleum was repealed effective August 23, when the Trade Bill was signed; and the Technical Corrections Act was recently passed by the House with several key amendments for the chemical industry, two of which affect the tax treatment of research and development expenses. On September 8, the Senate Finance Committee approved a stripped-down version of the Technical Corrections legislation, which would generally include the House research and development expense amendments, but only for a four month period. The Senate is expected to act on this bill in late September.
- J. Intellectual Property - Mr. Lyons reported that the CMA Intellectual Property Committee at its meeting, this week, had a lengthy discussion of the Animal Patent legislation recently reported by the House Judiciary Committee. The Committee opposes the legislation because of the broad farmers' exemption provision. This message will be conveyed to the appropriate Members of Congress.

Mr. Denyes commented on activities of the Trademark Reform legislation coalition. CMA supports the legislation and has participated in activities of the coalition. The Judiciary Courts Subcommittee held a hearing on H. 4156. CMA is communicating with Chairman Kastenmeier urging that mark-up be held as soon as possible. The Senate passed its bill, S. 1883, on May 13.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,



Timothy F. Burns
Staff Executive

CMA 080567

Chemical Manufacturers Association
Government Relations Committee Meeting
MINUTES OF MEETING

October 14, 1988

GRC-180-1

MEMBERS PRESENT

David S. J. Brown, Chairman
Jeremiah J. Kenney, Jr., V. Chairman
Janet S. Fisher
Donald R. Greeley
Lewis F. Gayner
Clifton T. Hilderley, Jr.
Charles H. Rowton
Harold S. Russell
Herbert K. Schmitz
Robert E. Smith
R. Gary Wilson

Monsanto Company
Union Carbide Corporation
ARCO Chemical Company
Hoechst Celanese Corporation
Dow Chemical U.S.A.
Ashland Oil, Inc.
Exxon Corporation
FMC Corporation
ICI Americas, Inc.
Olin Corporation
PPG Industries Inc.

Timothy F. Burns, Staff Executive

Chemical Manufacturers Association

PRESENT BY INVITATION

Julie Archuleta
Robert Ball
Bradly A. Broadwell
Wells Denyes
Steve Elbert
Don Evans
Robert B. Hill
Philip C. Holladay
Graham Jackson
Allen J. Lenz
William T. Lyons
Robin W. McClung
Philip Merchant, Jr.
Karen Neale
Linda Otterson
John W. Rauber, Jr.
Rose Marie Sanders
William M. Stover
Carol Thoenke
David Thomas
William H. Westendorf
Eileen M. Winkelman

Occidental Chemical Corporation
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Shell Chemical Company
Nalco Chemical Company
Chemical Manufacturers Association
CIBA-GEIGY Corporation
Rohm and Haas Company
Exxon Chemical
Chemical Manufacturers Association
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Chemical Manufacturers Association
W. R. Grace & Company
Eastman Kodak Company
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Chemical Manufacturers Association

The meeting was called to order at 8:50 a.m. by Chairman Brown.

CMA 080568

I. COMMITTEE BUSINESS

- A. Minutes of the September 9, 1988, meeting were approved. Mr Smith offered the motion to approve; Mr. Gayner seconded the motion.
- B. Schedule - The following announcements were made:
 1. Briefing Breakfast, Thursday, October 27, Madison Hotel.
 2. Board of Directors and Executive Committee Meetings, October 30-31, Sheraton New Orleans, LA.
 3. Chemical Industry Conference, October 31 - November 1, Sheraton New Orleans, New Orleans, LA.
 4. GRC - Open Meeting, Thursday, November 10, Mayflower Hotel; The meeting will begin at 8:30 a.m., with a breakfast speaker, to be announced. Adjournment will be at Noon, immediately preceding the CHEMICAL FORUM LUNCHEON, Madison Hotel, in the Dolley Madison Room - Guest Speaker: Richard B. Wirthlin, Chairman, The Wirthlin Group. Reports will be required for the meeting book; verbal reports will address future focus.
 5. Election Night Watch, Tuesday, November 8, Sky Room, Hotel Washington, 7:00 p.m. to Midnight.
- C. New Task Group and Keymen Assignments: Herb Schmitz, ICI Americas, Inc., has been named Association Liaison Keyman; Robin W. McClung, Rohm and Haas Company, is the new Keyman for FIFRA/ Biocides. Additional assignments will be announced at the next GRC meeting.
- D. Campaign Transition Teams Liaison - Mr. Burns commented on the activities of the campaign transition teams, headed by Messrs. Davis and Healy. CMA standing committees will be preparing briefing papers. This will involve a two-month effort; the GRC will be kept informed of developments.
- E. PAC Discussion: Mr. Brown said the Board Advocacy Committee has requested the GRC to take a position on whether the chemical industry should establish a PAC. Mr. Hilderley, Chairman, GRC Candidate Information Task Group, began the discussion by referring to the outline on the management of a chemical industry PAC. Small and medium size companies without PAC's usually welcome being solicited by an industry PAC. The PAC provides these companies an opportunity to participate in the political process and to be more active in chemical industry activities. Approximately 60 CMA member companies have PAC's.

It was suggested that a chemical industry PAC should focus on performance recognition. This would focus attention on those candidates who have demonstrated an interest in chemical industry issues.

The point was made that CMA is a full service, aggressive advocacy organization and should participate in the political process with every available legal tool, including a PAC.

During the discussion the Committee agreed the GRC's program of hosting "Get Acquainted" with candidates for Congress, and sharing of information was excellent.

A number of concerns were raised during the discussion. They were:

- it will be difficult for an industry PAC to say no to candidates' requests for contributions;
- contributions from a chemical industry PAC could be viewed negatively; it is easier to explain if a contribution comes from a company PAC that has investments and employees in the district;
- a visibility and image question;
- competition for funds between a company PAC and a chemical industry PAC.

Mr. Russell moved to propose that the GRC approve the recommendation for a chemical industry PAC provided that CMA staff determines that there would be sufficient funding for such a PAC. Mr. Gayner seconded the motion. The GRC voted 8 to 4, with one abstention, in favor of a chemical industry PAC.

II. PROGRAM REPORTS

- A. Candidate Information Task Group - Mr. Hilderley announced that Amoco Company will sponsor a "Meet and Greet" for Lyons Grey, candidate for election to North Carolina's 5th District, on October 25, at 8:30 a.m., Amoco Offices.

The next Candidate Information Task Group meeting is scheduled for Tuesday, October 18, at CMA.

- B. Grassroots Task Group - Ms. Archuleta reported that the Task Group will discuss grassroots activities at the State level at the upcoming State Organizations meeting. Preparations are underway for approval of the State advocacy recommendations.

III. ISSUE REPORTS

The following comments were offered to supplement the reports in the meeting book:

- A. Chemical Diversion - Mr. Denyes reported that Congress was moving forward with action on the Drug Bill - the death penalty for drug kingpins has been added to the legislation. There are differences between the Senate and House language -- CMA has prepared a side-by-side on the bills which has been shared with interested House and Senate staff. Prospects for enactment of the legislation appear good.

The Drug Enforcement Administration has scheduled a two-day conference on implementation of the new law. The Conference will be held in Philadelphia on November 13-14, regardless of whether the bill is enacted into law or not. Most companies have received invitations; attendance is limited to one person per company.

- B. Clean Air - Mr. Holladay reported that activities regarding clean air legislation in the Senate have subsided. He commended CMA staff on their performance on this issue and for their efforts in working with the Clean Air Work Group (CAWG). He commented on the decision-making process within CAWG and the need to formalize this process, while continuing to work within the organization.

Chairman Brown moved that the record shows that the GRC commended Mr. Holladay and CMA staff for the superb job performed on the clean air issue.

- C. FIFRA/Biocides - Ms. McClung reported that Senator Lugar had sent a letter to EPA Deputy Administrator John Moore regarding S. 659, the FIFRA reform bill, clarifying for the record the understanding of Section 403, the pesticide container provision. The letter was prepared in response to CMA's concerns on this issue.
- D. Groundwater - Mr. Prout reported that the Senate, under consent, had recently passed a Groundwater Research bill, which is significantly different from the House bill. Because of time constraints, agreement between House and Senate staffs appears unlikely.
- E. Intellectual Property - Mr. Lyons reported that the Intellectual Property bankruptcy and the Berne Copyright Convention legislation have been sent to the President for his signature. Negotiations continue between House and Senate staffs on a compromise Trademark Reform bill; prospects for passage this Congress appear good.
- F. International Trade - Mr. O'Connor reported on the status of the U. S.-Canada Free Trade Agreement in Canada. He also commented on CMA's Statement of Principles concerning the U. S. participation in the Uruguay Round of Multilateral Trade Negotiations under the GATT. The European community has the same general approach as does the U. S. to the tariff issue; however the Canadian Government is strongly opposed.
- G. Title III - Ms. Winkelman reported that the Greenpeace report on mortality and toxics along the Mississippi River is available and will be circulated to the GRC. On October 27, CMA Vice President of Communications, Jon Holtzman, will comment on public perception of Title III at the CMA Briefing Breakfast.
- H. Product Liability - Mr. Brown reported that no hearings have been scheduled on the product liability issues by the Judiciary

Committee. The outlook for the next Congress will be discussed at the next GRC meeting.

- I. RCRA - Mr. Rowton reported that efforts are being made by House Members to move the Wolpe waste reduction bill (H.R. 2800) in the Senate. Senate staff has prepared a proposal which includes reporting requirements in the form of a survey that would involve various numbers of facilities. CMA favors the reporting requirements survey.
- J. TSCA - Mr. Kenney reported that the PCB bill which passed the House was approved by the Senate Environment and Public Works Committee. No further action on the legislation is expected. The House Government Operations Subcommittee on Environment, Energy and Natural Resources recently held oversight hearings on TSCA. Activity on TSCA is expected to increase in the next Congress. The GRC needs to expand the keyman position to include a Task Force. Mr. Kenney asked that he or Chairman Brown be contacted by anyone interested in becoming a Task Force member.
- K. Taxation - Mr. Christy reported that the Technical Corrections legislation passed the Senate on October 11. Conferees have begun meeting. There are some procedural and jurisdictional problems with the legislation. The GRC was encouraged to contact House and Senate conferees to urge prompt action and to preserve the R&D provisions in the legislation.
- L. Transportation - Mr. Rauber reported that the CMA Distribution Committee was closely monitoring two issues -- HMTA reauthorization and rail competitive access. Legislation to amend the Staggers Rail Act was defeated in the Senate Commerce Committee on September 20. It is uncertain whether the legislation will be introduced next year. The Distribution Committee is studying the issue to reassess CMA's position.

Chairman Brown noted that over 10 million eligible voters do not vote on election day because they are travelling. He urged the membership to encourage people to get absentee ballots and vote ahead of time if they will be away or travelling on election day.

Mr. Burns announced that Bradley Broadwell had been promoted to the position of Grassroots Manager. He commended Mr. Broadwell on his outstanding performance over the past several months.

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,



Timothy F. Burns
Staff Executive

Chemical Manufacturers Association
Government Relations Committee Meeting
MINUTES OF OPEN MEETING
The Mayflower Hotel, Washington, D.C.
November 10, 1988

GRC 181-1

MEMBERS PRESENT

David S. J. Brown, Chairman
Jeremiah J. Kenney, Jr., V. Chairman
Lewis F. Gayner
Donald R. Greeley
Clifton T. Hilderley, Jr.
Kenneth Y. Millian
Charles H. Rowton
Harold S. Russell
Herbert K. Schmitz
Ralph D. Schumack
Gary R. Wilson

Monsanto Company
Union Carbide Corporation
Dow Chemical U.S.A.
Hoechst Celanese Corporation
Ashland Oil, Inc.
W.R. Grace & Company
Exxon Corporation
FMC Corporation
ICI Americas, Inc.
Dow Chemical Corporation
PPG Industries, Inc.

Timothy F. Burns, Staff Executive

CMA

PRESENT BY INVITATION

William C. Adams
Mike Ailsworth
Julie Archuleta
Gerrie Bjornson
Bradly A. Broadwell
Dale Brooks
John M. Capriccioso
Kenneth E. Davis
Wells Denyes
Terrie Dort
David Drake
F. J. Farfone
Alan D. Fiers
Thomas D. Finnigan
James W. Godlove
David Graham
Robert M. Heine
Thomas Helscher
Robert B. Hill
Philip C. Holladay
Milt Hunt
Geoffrey Hurwitz
Stanley Johnson
Charles A. Kitchen
Albert B. Knoll
Don Leham
Allen J. Lenz

ICI Americas, Inc.
Sandoz Corporation
Occidental Chemical Corporation
The BF Goodrich Company
CMA
Chevron U.S.A.
The Dow Chemical Company
Rohm and Haas Company
Eastman Chemical Products, Inc.
GE Plastics
CIBA-GEIGY Corporation
Dow Chemical U.S.A.
W.R. Grace & Company
Union Carbide Corporation
Phillips Petroleum Company
Dow Chemical Company
E.I. du Pont de Nemours, Inc.
Monsanto Company
CMA
Shell Oil Company
Dow Chemical U.S.A.
Rohm and Haas Company
Texaco
Pennwalt Corporation
Sun Company, Inc.
Hoechst Celanese Corporation
CMA

CMA 080573

Barbara Little
 Ann P. Lunson
 William T. Lyons
 William McEwen
 Peter Molinaro
 Karen J. Neale
 Mark D. Nelson
 K. James O'Connor, Jr.
 Linda L. Otterson
 Carol Pyle
 John W. Rauber, Jr.
 George Rolofson
 Pat Rowland
 Rose Marie Sanders
 Carmen G. Slominski
 Philip Stefanini
 William M. Stover
 Jan Suter
 Carol Thoenke
 Robert G. Thoma
 Harry J. Varner
 Eileen M. Winkelman
 Ron Wolsey
 Ben Woodhouse

Ethyl Corporation
 Eastman Kodak Company
 CIBA-GEIGY Corporation
 Monsanto Company
 Union Carbide Corporation
 CMA
 E.I. du Pont de Nemours, Inc.
 CMA
 CMA
 Rohm and Haas Company
 CMA
 CEIBA-GEIGY Corporation
 GE Plastics
 CMA
 BP America Inc.
 Rohm and Haas Company
 CMA
 Air Products and Chemicals
 W.R. Grace & Company
 BASF Corporation
 Aristech Chemical Corporation
 CMA
 Amoco Chemical Company
 Dow Chemical Company

The meeting was called to order by Chairman Brown at 9:15 a.m.

1.0 COMMITTEE BUSINESS

1.1 Minutes of the October 14, 1988, meeting were approved.

1.2 The following announcements were made:

- o Briefing Breakfast, Thursday, November 17, Vista International Hotel;
- o GRC Meeting, Friday, December 9, CMA Headquarters;
- o GRC Christmas Luncheon, Wednesday, December 14, J.W. Marriott Hotel;
- o Board of Directors and Executive Committee Meetings, January 17-18, 1989, CMA Headquarters;
- o CHEMICAL FORUM Luncheon, Wednesday, January 18, 1989, The Westin Hotel

1.3 Chairman Brown announced new GRC Task Group assignments: Harold R. Russell, FMC Corporation, will chair the new Global Warming Task Group; and Lewis F. Gayner, Dow Chemical U.S.A., will serve as chairman for the Outreach Task Group.

2.0 ISSUE/LEGISLATIVE REPORTS

- 2.1 Clean Air - Mr. Holladay commented on prospects for the introduction of Clean Air Act amendments early next year. CMA was proactive in trying to fashion reasonable non-attainment legislation in the last Congress. The Clean Air Task Group will begin working with appropriate Hill staffers during the next several weeks.

Mr. Holladay suggested a seminar be held sometime in January to prepare member company Washington representatives for advocacy during the next Congress. Subjects for discussion could include: policy development; legal analyses of bills; resources available at CMA -- communication/media etc; requirements for lobbying; and strategy development. Members of the GRC concurred with this suggestion. Mr. Thomas stated it would be helpful to include briefings on major issues such as RCRA, groundwater, and global warming.

- 2.2 Energy - Mr. Thomas reported that many issues remain on the agenda for the next Congress. These include -- energy supply and pricing; oil import fees; availability and supply of natural gas; gas production and where it should occur; and deregulation of natural gas. Energy could be impacted by possible solutions to the acid rain problem and global warming.

- 2.3 FIFRA/Biocides - Ms. McClung reported on the new assignment to bring to the attention of Members of Congress the Biocides industry interests. A GRC Biocides Task Group will be formed and interested member company Washington representatives are welcome to participate. The task group will be coordinating activities with CSMA, NACA and other coalitions. Biocides legislation could be offered as amendments to the FIFRA core bill enacted this Congress. The GRC Biocides Task Group will meet within the next several weeks to identify and prioritize our concerns.

Chairman Brown emphasized the importance of coordinating activities on this issue with the agricultural chemical industry to assure unity of approach. He asked that any member interested in working with the task group contact Ms. McClung or Ms. Sanders.

- 2.4 Taxation - Mr. Hill commented on the recently approved tax technical corrections legislation which includes CMA supported amendments of importance to the chemical industry. Mr. Hill reported that during its recent planning conference, the Tax Policy Committee expressed an interest in working with the GRC Tax Task Group.
- 2.5 Global Warming - Mr. Russell commented on four bills introduced in the 100th Congress that were related to the remediation of the greenhouse effect. The legislation focused on -- research; conservation; renewable energy resources; redistribution of the

burning of fossil fuels; deforestation; and population control. The issue is an international problem which calls for an international solution. CMA will be involved with NAM in working this issue. The membership discussed the importance of monitoring international activities, especially with regard to competitiveness and protecting U.S. chemical industry interests. It was suggested that CMA talk with other industry groups and have individuals with expertise provide briefings, etc.

- 2.6 Groundwater - Mr. Prout commented on the groundwater research legislation which died during the final days of the Congress because the House and Senate were unable to resolve differences between their bills. There will be a regulatory approach, next year, as well as increased activity on the State level.
- 2.7 Intellectual Property - Mr. Lyons discussed the five intellectual property initiatives approved by the 100th Congress. Issues outstanding include Patent Term Restoration (PTR) and the Transgenic Animal Patent legislation. PTR is not expected to be enacted in the 101st Congress; however, the Transgenic Animal Patent bill is expected to be reintroduced by Representative Kastenmeier (D-WI). CMA opposed the animal patent legislation which, if enacted as proposed, will weaken the patent system and discourage research and development for biotechnology.
- 2.8 International Trade - Mr. Davis reported on the status of the U.S.- Canada Free Trade Agreement which has been passed by Congress, approved by the President, and is awaiting action in Canada. Canadian approval hinges on the outcome of their national election, this month. Mr. Davis commented that no new trade initiatives are being proposed by the Bush Administration at this time. Foreign investment legislation remains an issue of importance to the chemical industry. He announced that the International Trade Committee would be holding its open meeting in Baltimore November 15-16; and that Max Turnipseed, Ethyl Corporation, has been named CMA designee to the GATT negotiations.
- 2.9 OSHA - Mr. Drake reported that the high risk bill would be reintroduced early next year. NAM has drafted a document on the issue, and the paper is being reviewed by CMA. It is hoped that CMA will be able to work with NAM on the issue. Representative Paul Henry (R-MI) has stated he wants OSHA reform legislation; no similar intention has yet been expressed by any Senate Member.
- 2.10 Product Liability - Mr. Brown reported that Senator Biden (D-DE) has been working with the Brookings Institute to develop procedural changes related to tort liability. He stated it is expected the Bush Administration will be sensitive to this issue. Renewed activity on possible legislation in the 101st Congress is anticipated. Mr. Brown announced that Mr. Tweedie

of American Cyanamid has been named Chairman of the Product Liability Coordinating Committee.

- 2.11 RCRA - Mr. Rowton reported that RCRA reauthorization issues will surface early next year. The main thrust is expected to be solid waste. He expressed that there would be opportunity for CMA to be proactive on the issue, particularly regarding solid waste management and waste minimization. In January, the CMA Board of Directors will be presented with additional positions to approve -- definition of solid waste; waste import and export; and product composition.
- 2.12 Superfund - Mr. Helscher reported that Superfund will probably not be revisited until the 102nd Congress. He emphasized that it is in the industry's best interests that the program be operated efficiently and fairly. EPA is still experiencing personnel problems in that there are not enough qualified staff to administer the program.
- 2.13 Title III - Mr. Drake reported that although there had been no legislative activity regarding SARA, Title III, in the 100th Congress, the mission of the CMA task group had been to educate members about requirements of the law and chemical industry's compliance. CMA is preparing a response to NRDC and others who have published reports listing the volumes of Title III chemicals that are being emitted. That response will attempt to put the Title III data into perspective by outlining the appropriate and inappropriate uses of the data.
- 2.14 TSCA - Mr. Kenney reported there had been no activity on TSCA in 1988. Congressional action on the issue, next year, is not anticipated; however, he stressed the need to be prepared in the event there are new developments.
- 2.15 Transportation - Mr. Finnigan commented on unsuccessful efforts by the Congress to amend the Staggers Rail Act. No legislative activity on the issue is expected in 1989. The 1980 Act directed the ICC to ensure that captive shippers had adequate rail-to-rail competition; the ICC must respond to Congress' concern regarding fair treatment for captive shippers. HMTA is long overdue for reauthorization; CMA and other shippers have supported some changes to the current law and maintain that overall safety would be enhanced if federal law preempted state and local routing and licensing requirements and if there was uniformity between federal, state and local regulations.
- 2.16 UIC - Mr. Heine announced that EPA has issued a ruling on the regulation of deep wells under the authority of the 1984 RCRA Amendments. CMA supports the rule, but anticipates deep wells will become an issue in the RCRA reauthorization debate during 101st Congress.

3.0 SPECIAL PRESENTATIONS

- 3.1 Dr. Allen Lenz discussed prospects for reducing the U.S. trade deficit. According to Dr. Lenz, the U.S. manufacturers trade deficit is approximately \$120 billion dollars. A 116 percent explosion in imports between 1981-1988 coupled with a meager 16 percent increase in exports has contributed to the largest manufacturing sector trade deficit in history. Since the opportunities for export expansion for the manufacturing sector appear limited, import substitution remains the most viable solution to the deficit in this sector. The prospects are unlikely for alleviating the U.S. trade deficit through improvement in others sectors such as agriculture or fuels. Dr. Lenz concluded by stating that the health of the United States chemical industry depends on: the U.S. economy, the world economy, and the international competitiveness of the chemical industry and the U.S. manufacturing sector. He noted that 50 percent of the chemical industry's output goes into other U.S. manufacturing. A decline in the dollar will make us more competitive.
- 3.2 Mr. Ben Woodhouse provided a brief overview of the Board approved Responsible Care Program. He described the Program as a bold, new initiative in an effort to improve performance in health, safety, and environmental quality. Highlighting the Program, Mr. Woodhouse briefly discussed aspects such as the Public Perception Committee and the Statement of Principles. The mutual assistance program will be based on companies helping each other to encourage and improve management practices. The principles statement will be an obligation of CMA membership.
- 3.3 Mr. Hurwitz gave a brief update on the new State Advocacy Program. The Board has recognized the need to replicate federal advocacy at the state level. To do this, a federation linking CIC's, CMA, and various member companies will be put into place. CMA will not take over CIC's, but will provide the financial assistance and expertise necessary to achieve a uniform level of efficiency and effectiveness for advocacy at the state level. CIC's and CEO's in those states need to take a greater leadership role to strengthen and improve exposure and capability at the state level.

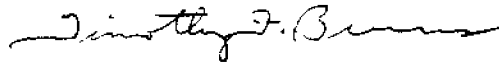
4.0 PROGRAM REPORTS

- 4.1 Labor Outreach - Mr. Millian outlined top objectives for labor in the 101st Congress. They are: high risk notification, TSCA reauthorization, balancing tort reform and workers' compensation reform, willingness to consider asbestos only bills, toxics initiatives under the Clean Air Act, and the Workplace Health Forum (funded by the Labor Department). Mr. Millian will explore what kinds of things labor and industry can work on together.

- 4.2 Outreach - Mr. Gayner noted that the objective of the Outreach Program is to increase receptivity to our program initiatives with Members of Congress. Mr. Gayner will be seeking Washington Representatives to assist with this task group activity.

The meeting adjourned at Noon.

Respectfully submitted,



Timothy F. Burns
Staff Executive

Subject to Approval