AGENDA
CMA EXECUTIVE COMMITTEE MEETING
2:00 p.m., Monday, October 27, 1980
Briargrove Room, Galleria Plaza
Houston, Texas

			TAB
2:00 p.m.	1.	Call to Order -- Paul F. Oreffice	
2:01-2:02	2.	Approval of September 8, 1980, Meeting Minutes -- B. M. Barackman	1
2:02-2:07	3.	Treasurer's Report -- G. C. Herrman	2
	4.	Association Activities:	
2:07-2:37		a. Guidelines for Special Projects Advisory Group -- G. V. Cox	3
2:37-3:00		b. Status Report of Hazards Communications Special Committee -- W. C. Krumrei, Chairman	
3:00-3:30		c. Superfund: Status, Outlook, and Activities -- Louis Fernandez	4
3:30-3:40		d. Public Risk Analysis Special Committee -- Konrad M. Weis	5
3:40-3:41		e. Committee Nominees -- B. M. Barackman	6
3:41-3:55		f. Environmental Management Committee and Hazardous Waste Response Center Program Recommendations -- C. L. Sercu, Dow Chemical U.S.A.	7
3:55-4:00	5.	New Business	
4:00	6.	Adjournment	

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MINUTES OF MEETING
CMA EXECUTIVE COMMITTEE
Briargrove Room, Galleria Plaza
Houston, Texas
Monday, October 27, 1980

1. The meeting was called to order at 2:00 p.m. by the Chairman. There were present:

Paul F. Oreffice, Chairman
Harry W. Buchanan
Louis Fernandez
Alexander F. Giacco
James B. Henderson
Richard J. Hughes
H. Barclay Morley
L. John Polite, Jr.
Robert A. Roland
William G. Simeral
Raymond C. Tower
Konrad M. Weis

Bruce M. Barackman, Secretary
Edmund B. Frost, General Counsel
Gary C. Herrman, Treasurer

By Invitation:
Geraldine V. Cox, CMA
*Fred Dehn, PPG Industries, Inc.
Richard F. Gold, Stauffer Chemical Company
W. C. Krumrei, The Procter & Gamble Company
*Roland L. Lang, SOCMA
Keith R. McKennon, The Dow Chemical Company
*T. W. Mooney, The Procter & Gamble Company
Victor H. Peterson, CMA
Edward B. Pollak (SOCMA), Olin Corporation
George F. Polzer, Witco Chemical Corporation
*H. C. Shah, CMA
James N. Sites, CMA
*Curtis W. Smith, Shell Chemical Company, A Division of Shell Oil Company
William M. Stover, CMA

*part time

2. Minutes of the September 8, 1980 Meeting The minutes of the September 8, 1980 meeting of the Executive Committee, as distributed, were approved.

3. Treasurer's Report Mr. Herrman's report is attached as Exhibit A. He noted the following significant items:

- Our latest financial results are through the end of September.

- For General Operations, expenditures are tracking fairly closely to levels anticipated by the budget.

- For ChemCAP, there now remain only two companies who have not paid the original assessment. The next assessment of 43% of dues, designed to raise $3.6 million, will be mailed in December with a due date of January, 1981. Through the end of September $69,400, has been advanced from General Operations in support of ChemCAP, and the amount should approach $1.2 million during December. These funds will be recovered by the next assessment. For the current ChemCAP phase which is to end May 31, 1981, we project total revenue of $6,215,000, expenses of $5,638,000 and a carry forward reserve of approximately $1/2 million.

- In regard to the new CMA headquarters, the developer is still experiencing problems, primarily electrical, in completing the facility. The move is now scheduled for the weekend of December 6-7.

- The budget process has started with the standing committee reports in September. It will proceed through the meetings of the Board Review Committees in November, the standing committee reports in January, and culminating in a preliminary budget to be presented in March with final consideration by the Board in April.

4. Association Activities

(a) Report of Hazards Communications Special Committee
A status report, together with recommended principles for use in alternative guidelines and discussions with government agencies concerning labeling proposals, Exhibit B, was distributed to those present. Mr. Krumrei's remarks are attached as Exhibit C. Following discussion, the principles as contained in Exhibit B were approved.

(b) Guidelines for Special Projects Advisory Group (SPAG)
Mr. Roland invited attention to section 5.3, page A-14, Exhibit D, on Single Product(s) Advocacy. To make this conform to the Bylaws, it will be rewritten to provide that the members and chairman of SPAG will be recommended by the President and appointed by the Executive Committee.

During discussion of the Single Product(s) Advocacy proposal concern was expressed for the proliferation of ad hoc single-product splinter groups, outside existing organizations, whose actions may adversely affect the consistency position and long term litigation plans of CMA or allied organizations.

Exhibit D provides a good mechanism for CMA to respond, on a self-liquidating basis, to requests for product advocacy on behalf of its members in those cases where the matter is of sufficient importance from a precedent-setting viewpoint.

SPAG originally was created to undertake properly coordinated advocacy, when such was indicated, following completion of CMA administered research. It was agreed that what is now contemplated under the SPAG guidelines is that an existing technical research project is no longer a prerequisite for consideration of a proposed single product advocacy program, i.e., the guidelines cover single product research and/or advocacy programs.

It also was agreed that the "sunset" provision contained in the middle paragraph under section 3.5, page A-10 of Exhibit D should be rewritten to provide that all panels will be subject to annual review by SPAG and approval of the Executive Committee.

Subject to the foregoing, the recommendations as contained in Exhibit D were approved.

(c) Superfund: Status, Outlook and CMA Program

Dr. Fernandez referred to Exhibit E as providing a good summary of the status of Superfund. He suggested that following the election consideration be given to how CMA should respond to different possible scenarios that might develop during the lame duck session of Congress. If no Superfund bill is passed, CMA may want to rethink its position in the next Congress.

Mr. Stover advised that the Senate Finance Committee has scheduled a markup of S. 1480 on November 17-19. It is unlikely that the Senate Commerce Committee will get specific referral of the bill. There is not much activity on the House side. It appears no firm decisions will be made about the specific agenda for the lame duck session of Congress until after it reconvenes. CMA is not now engaged in any major new programs in the Senate.

Mr. Frost described the series of White House negotiations which unsuccessfully attempted to bring all parties together and agree on a bill.

(d) Public Risk Analysis Special Committee
A report of the special committee, Exhibit F, was introduced by Dr. Weis whose remarks are attached as Exhibit G. Following discussion, the list of committee nominees contained in Exhibit F was approved.

(e) Committee Nominees
The following appointments to the International Affairs Group were approved: Frank Griffith, Minnesota Mining and Manufacturing Company, Chemical Division; Roy L. Gibson, M.D., Gulf Oil Corporation; and James M. Ramey, Celanese Corporation.

(f) Hazardous Waste Response Center (HWRC)
An update of the HWRC program including new operating guidelines is attached as Exhibit H.

5. New Business

(a) State Activities Special Committee (SASC)
Mr. Polzer reported that SASC has had two meetings with the result that it is coming forward with a recommendation that a state legislative and regulatory activity function be established within CMA. That recommendation, together with the funding needed to implement it will be brought forward through the regular budget process and will be included in the preliminary budget to be reviewed by the Executive Committee in March.

Meanwhile the Chemical Industry State Affairs Group, an ad hoc group of CMA chemical company representatives addressing the same objective as the SASC will continue its work. Mr. Stover will work with them on behalf of CMA to study and perfect a state activities program so that by March of 1981 the Executive Committee will be presented with a full-blown program for consideration.

(b) Groundwater Policy
Exhibit I, prepared by the EMC was approved.

(c) Definition of "Processor" Under TSCA
Exhibit J, concerning the Association's position regarding the definition of the word "processor" as used by EPA in regulations promulgated under various provisions of TSCA, was received without objection.

(d) Specific Advocacy
Distributed to those present, as a matter of information, was an advertisement, Exhibit K, which will be run in The Washington Post and Washington Star, making the point that one should have scientifically valid facts before rushing ahead on emotional issues.

6. Executive Session The staff was excused and the meeting was concluded with an executive session during which management compensation of Association staff was discussed.*

Bruce M. Barackman
Secretary

Certified correct:

Paul F. Oreffice, Chairman
CMA Executive Committee

* A Memorandum of Record and Letter Agreement regarding the CMA President's compensation has been transmitted to the CMA Treasurer in accordance with the Executive Committee's discussion.

Exhibit A

TREASURER'S REPORT

Five Months Ending October 31, 1980

This report will be prepared and distributed following the end of the month.

For your reference, the following is provided:

- The 1980-81 annual budget as originally approved.
- The reclassification of expenses to provide for the hiring of a technical writer and secretary to offset outside technical consulting.
- The 1980-81 annual budget as amended.

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CHEMICAL MANUFACTURERS ASSOCIATION
Budget for Fiscal Year 1980-81
(As amended through October 31, 1980)

REVENUE:	1980-81 Annual Budget	Approved Amendment	1980-81 Budget as Amended
Membership Dues & Entrance Fees	$ 8,677,300	$ -	$ 8,677,300
CHEMCAP Special Assessment Jan. 1980	891,800	-	891,800
CHEMCAP Special Assessment Jan. 1981	3,600,000	-	3,600,000
Investment Income	700,000	-	700,000
General Meeting Income (Net of Exp.)	129,200	-	129,200
Publications Sales	22,000	-	22,000
Overhead Reimbursement - Special Projects	400,000	-	400,000
TOTAL	$14,420,300	$	$14,420,300
GENERAL OPERATING EXPENSES:			
General Counsel	$ 638,700	$ -	$ 638,700
Government Relations & Econ. Affairs	860,700	-	860,700
Communications & Public Relations	965,300	-	965,300
CHEMCAP	4,491,800	-	4,491,800
Technical Administration	187,700	-	187,700
Health, Safety & Chemical Regs.	521,600	79,700	601,300
Distribution, Energy, Engineering	367,400	-	367,400
Environment & Haz. Waste Center	743,900	-	743,900
CHEMTREC	503,300	-	503,300
Special Research Projects	453,800	-	453,800
Executive Department	891,000	-	891,000
Finance, Accounting & Business	665,300	-	665,300
Printing & Distribution	289,700	-	289,700
TOTAL OPERATING EXPENSES	$11,580,200	$ 79,700	$11,659,900
LEGAL & RESEARCH			
Legal Fees & Expenses	$ 1,420,000	$ -	$ 1,420,000
Research & Consulting	1,373,000	(79,700)	1,293,300
TOTAL	$ 2,793,000	$(79,700)	$ 2,713,300
TOTAL EXPENSES	$14,373,200	$ -	$14,373,200
Contribution to Reserves	$ 47,100	$ -	$ 47,100

Exhibit B

OSHA/EPA LABELING PROPOSALS STATUS
CMA ALTERNATIVE POSITION

BACKGROUND

Previous briefings on the nature of hazards communication regulatory activities by OSHA and EPA are still accurate. However, very recent developments have seen the EPA proposal stalled virtually on the eve of publication in the Federal Register. This has happened as a result of apparent agreement between Steve Jellinek and Eula Bingham that further discussion between the two agencies would be required to resolve the fundamentally different approaches taken by each to date.*/ This development represents a serious situation if OSHA's specification approach were to dominate. Accordingly, CMA's strategy has been modified to gain participation in the resolution process. A joint meeting with Jellinek and Bingham has been successfully negotiated and is scheduled for November 6.

Preparation for these discussions has necessitated an accelerated development of CMA alternative positions as guidelines for the OSHA regulatory process. A draft substantive outline which embodies a number of basic principles has the general support of the Hazards Communications Special Committee. The single area of substantive concern requiring further resolution is that of trade secret protection with regard to substance/mixture identification to customer employees. The HCSC feels confident that a position broadly acceptable to the CMA membership can be developed which will accord the protection desired.

RECOMMENDED POSITION

The fundamental principles proposed for Executive Committee endorsement as guidance to HCSC in its continuous development of alternative positions and discussions with the agencies on the subject of hazards communications are as follows:

1. Any hazards communication program must provide readily comprehensible and effective protective information about known hazards associated with chemicals used by employees in their work areas.

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*/EPA developed performance standards with a nongeneric treatment of chronic hazards limited to carcinogenicity; OSHA has consistently moved towards specification standards using a generic approach to chronic hazards which included many other poorly understood health effects beyond carcinogenicity such as reproductive hazard, behavioral modification, etc.

2. Such programs must incorporate an education and training element as a minimum along with other appropriate communication devices such as labels, material safety data sheets, placards, etc.

3. Chemical identity of materials in the work area will be provided to employees or their physicians. Proprietary identities will be protected by adequate confidentiality agreements. Downstream identification of proprietary information for customers' employees beyond common name will be made only for purposes of medical treatment by consultation between physicians on a confidential basis; all other hazard protection information short of specific chemical identity will be appropriately conveyed without other restriction.

Note: (If a mixture contains a regulated carcinogen at or above established cut-off levels, the identity of that carcinogen will be fully disclosed regardless of trade secret claims.

4. Performance standards are the only practical way to retain sound existing company programs, but the need for an enforceable program is recognized and can be provided by workplace hazards commmunication plans subject to inspection (not approval in advance).

5. Acute hazards will be handled generically in accordance with ANSI criteria.

6. All other hazards should be substance specific and determined by regulation to constitute a significant risk. In general, this realistically applies primarily to carcinogens at the present time but, with improvements in the state of scientific understanding, could include reproductive toxins, behavioral modifications, etc. Obviously, if an employer knows of recognized hazards beyond those established by regulation, he must communicate this information.

7. There is no rational basis for determining acute hazards of mixtures other than by assessing the properties of the mixture taken as a whole either by evaluation of available information or by testing.

8. There is no rational basis for different regulation of chemical mixtures which pose hazards on the basis of intentional addition or natural presence of constituent substances.

9. All procedures and positions adopted previously by CMA which are consistent with AIHC with respect to the identification and handling of chronic hazards will be maintained.

10. Any effort to require inclusion of epidemiology study base information is beyond the scope of a hazard communication proposal.

ACTION REQUIRED

HCSC requests endorsement of the above principles for use in alternative guidelines and discussions with the agencies.

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Exhibit C

Remarks of Mr. Krumrei
CMA Executive Committee

October 27, 1980

The background statement on the paper in front of you gives the very recent developments through last week Wednesday. I believe that the meeting with Mr. Jellinek and Dr. Bingham on November 6 should be helpful for these reasons:

- Jellinek, at least, is completely in agreement with us, that the two agencies need to coordinate and to try to get comity on the regulations. He has been extremely helpful in setting up this meeting and we are hopeful that this will result in a much more cost-effective OSHA standard.

- It obviously delays the publication of any standard until after the election and therefore removes the intense political pressure under which the agencies have been operating. We are frankly surprised that they would be willing to delay the publication of these documents but nonetheless they have.

In a meeting last Thursday with Dr. Bailus Walker who heads up this area with OSHA, and with some of his people, we are very pleased to learn that some of our earlier arguments have been heard and that they are apparently moving from the design or specification standard approach to the performance approach in at least one area -- i.e., the labeling of pipes, pumps, vessels, etc. Although they would not give us a copy of the revised proposal, they allowed us to see that portion of it, and it indicates that most of the labeling requirements have been removed and therefore the major portion of the cost for the OSHA proposal will be eliminated if the new version stands.

In addition, Dr. Walker listened very attentively to our primary concerns about the present OSHA proposal. These are, that it is a design or specification standard instead of a performance standard, that it does not adequately provide for trade secret handling, and that it does not adequately separate acute and chronic hazards in that they are both treated generically. In that meeting and in the meeting in the afternoon with additional members of his staff, we think we made some progress in these areas as well. His final request to us was that we provide him with an alternative to their proposal couched in regulatory language, since they are still "open-minded." He actually

indicated he would like to have as many as three or four alternatives, but, we will be lucky to get one finished. This then is the reason why I am asking your agreement to allow us to use the principles that are in front of you in the development of our alternative.

I am fully aware of the difficulty of writing regulatory language for a trade association as diverse and as large as ours. I am not happy with that prospect, but I am convinced at this point that the only way we can attain anything near what we need, is to do just that. I assure you that we will very carefully review our alternative with Mr. Roland and Mr. Frost, and if the three of us conclude that the area is sufficiently sensitive, we will ask for concurrence of the Executive Committee before we give it to OSHA.

Dr. Walker said that he was not anxious to have a proposal that was so far off base that they would be embarrassed or where it would lead to litigation.

He further indicated that he is anxious to get our alternative and that he will give a "reasonable" time, without specifying the length of time. He made it very clear, however, that he is still under time pressure, and that he does not want rhetoric nor should we use this as a mechanism for further stalling or delaying the standard. We told him that we would act as expeditiously as we can considering that it is a complex standard and that we had a large number of companies involved.

As a matter of fact when I indicated to him we would pledge our continued cooperation to develop a proposal and to provide in a public hearing a full explanation of our problems, along with the necessary experts to answer questions, he asked whether we would also pledge to not bring suit in the Fifth Circuit Court. My response was that I would pledge that we would not do so, as long as he would pledge to accept all of our changes.

Other areas that I would like to bring to your attention are the following:

First, we are proceeding to develop a procedure which will be amended at determining the relative economic impacts of the OSHA and EPA proposals and our alternatives. We have identified some contract organizations and will be placing such a contract as soon as we have a better picture of what the proposals are actually likely to be. If we can continue to be successful in getting changes made before the proposal is published, this may obviate the need for a major expenditure in this area.

We are also developing a proposed argument on trade secrets along with as much data as we can obtain to present to the OSHA counsel in a meeting on November 5. Mr. Roland has mailed to all Executive Contacts a letter requesting the type of information we need. I would like to urge your immediate attention to this with your company contacts so that we can get as much information prior to that meeting as we can possibly assemble.

In addition, our Confidentiality Task Group has developed a proposed confidential disclosure agreement which we will be discussing with the CMA membership in the future.

Another area that I mentioned last time, is the activity at the state level. We have been very pleased to have the Soap and Detergent Association take immediate action on our request to ask their representatives in the various states to provide information in this area at the state and local level. They not only have put out the request but several state representatives have already submitted reports. I believe that this will operate as an interim procedure but would urge that this committee address the state problem at some time in the future to be able to handle other things as they arise.

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Exhibit D

SINGLE PRODUCT(S) ADVOCACY

Problem: The Chemical Industry/CMA advocacy program has concentrated primarily on general rulemaking procedings to implement the Clean Air Act, the Clean Water Act, OSHA, TSCA, etc.

The success of this advocacy program has been to neutralize adverse agency interpretations of the basic statutes. But now a wave of specific chemical rulemaking and enforcement actions threaten to wipe out gains we have made and the defenses we have built in the general advocacy program.

Objective: In order to avoid Balkanization and a divide and conquer strategy on the part of Federal agencies, the chemical industry must provide for communication and coordination regarding specific chemical advocacy.

Background: The Special Programs Advisory Group (SPAG) was created a year ago to give CMA an organization capable of providing the necessary communication and coordination. Over the past year, SPAG has started to consider advocacy programs and has developed proposed program guidelines. A proposed roster of new SPAG members has also been developed. With new guidelines and new members, SPAG will enable CMA to provide service for a number of new single product(s) advocacy groups.

Recommendations: Approval of the SPAG guidelines and membership is recommended. In addition, it is recommended that CMA be given authority to hire new staff for the Special Programs area to the extent that such staff can be supported totally by new program funds.

Impact

Money: There will be no dues impact

Company Personnel: Attendance at SPAG meetings and Special Programs Panel Meetings

Staff Personnel: New CMA Special Programs personnel will be added to meet increased workload to the extent that such additions can be supported by Special Programs funding.

Action Required

Approval of recommendation:

1. Approve Special Programs Guidelines (Appendix A)
2. Approve Special Programs Advisory Group Charter (Appendix A-page A 13-18)
3. Approve SPAG committee nominees (Appendix B)
4. Approve expansion of Special Programs staff and associated support staff based on increased workload to the extent that additions can be supported by Special Program Funding

For Discussion: Splinter Group Advocacy in the chemical industry

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I. CMA ADVOCACY AND SPECIAL PROGRAMS

The Chemical Industry is facing something new in the special programs area. No longer can specific chemical activities be focused primarily on scientific studies and private research. Increasingly, the generalized regulatory and policy conflicts of the 70's will be resolved in the context of regulatory proceedings directed at specific chemicals rather than in broad scale general rulemakings.

It will not be easy for the chemical industry to meet the new challenge of precedent-setting rulemakings. These rulemakings, directed at specific chemicals, will present many conflicts and tensions relating to sales and marketing which are not presented in general rulemakings.

This presentation will describe the problem in more detail, present a proposed structure by which CMA can contribute to the solution of any problems, and outline the resources which may be required.

A. CMA Advocacy and Environmental Regulation

During the decade of the 70's Congress enacted a virtual tidal wave of environmental regulatory provisions in the Clean Air Act, the Clean Water Act, the OSH Act, TSCA, RCRA, etc. Taken together, these acts make the chemical industry the most regulated industry in the country and they could cost the industry many billions of dollars.

These statutes are administered by regulatory authorities such as EPA and OSHA which have varying amounts of authority to promulgate general substantive rules to put flesh on the statutory skeleton.

The Chemical Industry, in large part through CMA, has responded with a vigorous advocacy program directed at general agency rulemakings. As a part of this new advocacy, CMA has been revitalized and reorganized, its budget has been greatly increased, an in-house Legal Department has been created, and outside counsel are extensively used. Equally important is the reorganization of member company participation through the CMA committee structure. The Environmental Management Committee, CRAC, OSH Committee, and now the Special Committee on Hazard Identification play a critical role in the planning and execution of CMA advocacy. Member companies devote great amounts of time and talent to committee efforts.

While it is yet too early to assess the outcome of the CMA advocacy effort, a pattern of success is beginning to develop. The CMA effort has blunted the adverse impact of many proposed general rules. So far, CRAC has been successful with Section 5

of TSCA. The EMC has been successful in Section 311, Pretreatment, Section 307, Section 308 and Section 402 under the Clean Water Act, and in Section 4001 and 4002 of RCRA. EMC also was successful in dealing with non-attainment, PSD, and bubble issue matters under the Clean Air Act. AIHC and the OSH Committee have had some success with OSHA in certain matters, but this agency remains industry's adversary. In labeling matters, there is hope of success with EPA, but, again, little hope with OSHA. Finally, it must be noted that many issues and controversies beyond those mentioned here remain to be settled.

B. The Limits of General Advocacy and the Growing Importance of Specific Chemical Proceedings

As the agencies complete their initial general rulemaking implementation of their statutes, they turn to case by case, chemical by chemical application of the rules. To the extent that chemical industry advocacy has been successful, the general rules are usually neutral or non-specific with regard to industry interests. In this situation often agencies will seek to establish by precedent what they could not win in the general rulemaking in specific chemical cases. As noted in Section II, a wave of specific chemical cases is on the way, and it is clear that the precedents set in these cases will finally set the terms of chemical industry regulation. Indeed, we have already seen in the Benzene case the importance a specific chemical case can assume for the entire industry.

C. The Need for Communication, Coordination and Cooperation in Specific Chemical Cases

Chemical industry advocacy will be much more difficult in the context of specific chemical proceedings. There may be very many proceedings. The proceedings will directly affect specific marketing and commercial interests of only a few companies. It will be easy to lose track of the overall strategy and approach developed by CMA through the EMC, CRAC and the OSH Committee. The agencies may achieve their ultimate victory, not on merit, but by successful application of a divide and conquer theory.

In the face of this challenge, the chemical industry must organize to ensure that there is communication and cooperation between the standing CMA committees and any special programs or groups operating in their area. Further, to the maximum extent possible, a general strategy should be made available for use by special programs and general coordination should be ensured.

D. The Special Programs Advisory Group (SPAG) Will Provide for Communication and Coordination and Its Charter and Guidelines Should be Approved

The first CMA specific chemical advocacy program was the Benzene Panel which was approved by the Board in 1977. Com-

munications and coordination here was assured by the close staff support and by overlapping membership on the Benzene Panel, CRAC and OSH Committees.

CMA staff realized that a more formalized communication and coordination mechanism would be required if there were to be any significant increase in specific chemical advocacy programs. At a conference at Belmont, Maryland in July 1979, the concept of SPAG was developed by a group of industry representatives and CMA staff.

The concept of SPAG is that representatives of standing CMA committees and special program representatives should be brought together to form a multidisciplined group which can ensure the necessary communication and coordination for special programs. Another important function of SPAG is to set standards and provide oversight for special programs activities.

The Executive Committee approved the creation of SPAG on an interim basis in September 1979. During the past year SPAG has been formed and has started to review advocacy programs. The most important activity has been the development of guidelines which will provide the basis for SPAG approval and supervision of special programs. Executive Committee approval of these guidelines, attached as Appendix A, is requested at this time.

In addition, SPAG has been expanded to make its composition more like that of a standing committee and to reflect the increasing importance of specific chemical proceedings. The expanded SPAG Membership List is presented in Appendix B for Executive Committee approval.

The high quality of the SPAG membership will give CMA an excellent basis to advise new advocacy programs. It should also give SPAG an ability to assist the chemical industry in providing communication and coordination for specific advocacy programs which are formed outside of CMA.

II. DESCRIPTION OF SPECIFIC CHEMICAL CASES WHICH WILL ESTABLISH PRECEDENTS FOR REGULATION OF THE CHEMICAL INDUSTRY

The major laws of interest to CMA which will present precedent-setting specific chemical cases are:

- o Toxic Substances Control Act - EPA
- o Resource Conservation and Recovery Act - EPA
- o Clean Air Act - EPA
- o Clean Water Act - EPA
- o Occupational Safety and Health Act - OSHA

The discussion in this report is limited to regulatory areas which will impact specific chemicals and thus may require services from CMA's Special Programs Division rather than standing committees. Specific chemical cases also will arise under FIFRA, The Food, Drug and Cosmetic Act, and The Consumer Product Safety Act, but these will not be dealt with here.

A. Toxic Substances Control Act (TSCA)

Under Section 4 of TSCA, an Interagency Testing Committee (ITC) was established to recommend a list of priority chemicals which the Administrator of EPA should consider for promulgation of testing rules. The ITC must give priority attention to those chemicals known or suggested to cause cancer, gene mutations, or birth defects. No more than 50 substances or mixtures may be on the list at any one time.

Under Section 26 of TSCA, the agency has interpreted chemical substances to include categories. This will result in far more than 50 chemicals on this list. The chemicals which ITC already has recommended for testing are listed in Table 1.

Once EPA has received the ITC recommendations, it has one year either to initiate action by requiring testing by rule for each substance or to publish its reasons for not doing so. No final testing rule has yet been issued; however, EPA has proposed testing rules on two of the ITC recommended substances and decided not to require any additional testing on one other. A specific schedule for the promulgating testing rule is shown

in Table 2. In his revised affidavit in September 1980, Mr. Steven Jellinek of EPA said that he plans to complete his testing decisions on chemicals listed in Table 1 over a four-year period, rather than the seven years which he had proposed in his earlier affidavit in March 1980. The reduction in time necessary to make the decision will be achieved by replacing Advanced Notice of Proposed Rule (ANPR) with more informal contact and discussion with industry. ANPRs would be reserved largely for the more complex issues raised by chemical categories. As these testing rules will be chemical specific, and especially as EPA is seeking informal contact and discussion with industry, both research and advocacy activities within the Special Programs Division related to Section 4 testing rules are anticipated to increase considerably. There is a clear potential for damage to specific segments of industry if development of testing rules are not closely followed.

In addition to developing health and environmental effects testing rules, EPA is now attempting to develop proposed rules that will limit or ban production and distribution of many chemicals in the United States. If, under pressure from various environmental groups, EPA starts developing many such rules and does not have adequate scientific information, demand for advocacy programs within the Special Programs Division will increase. The chlorofluorocarbon production ceiling is one of the first such actions under Section 6. Precedent-setting specific chemical cases can also be expected under Section 5(e).

B. Resource Conservation and Recovery Act (RCRA)

Under this law EPA currently is establishing an ambitious new regulatory framework. This will include specified controls on the disposal of virtually any form of solid waste. Implementation of RCRA by EPA will place upon industry an extensive and administratively burdensome regulation. By the end of this year, EPA will have listed nearly 600 hazardous wastes. This list will include wastes from the production of various chlorinated hydrocarbons, phosphates, titanium dioxide, paints, chlorobenzenes, nitrobenzenes and aniline, just to name a few.

The CMA Special Programs Division may be called upon to undertake single product or product group advocacy as a result of these regulations.

C. Clean Air Act (CAA)

Table 3 lists industrial categories for which EPA plans to develop new source performance standards (NSPS's). EPA will propose a NSPS on non-metallic mineral processing within the next 60 days and is currently evaluating polymers and resins for proposing a NSPS in the near future. The CMA Special Programs Division has already received a request from the Allied Chemical Corporation to initiate a special program on non-metallic mineral processing.

Standards of performance for new stationary sources are established under Section 111 of the CAA. This Section directs the Administrator to establish standards of performance for any category of new stationary sources of air pollution which " . . . causes or contributes significantly to air pollution which may reasonably be anticipated to endanger public health or welfare." It will cost the chemical industry $100 million if it does not participate in the development of reasonable standards through appropriate economic and scientific advocacy programs. Where the pollutants being emitted are potentially toxic or carcinogenic, regulation is effected under Section 112 of the CAA by establishing National Emission Standards for Hazardous Air Pollutants (NESHAP), rather than the use of Section 111. The most emphasis to date on establishing NESHAPs has been on the control of emission of benzene from various sources. These include maleic anhydride plants, ethyl benzene/styrene plants, benzene storage, and fugitive emissions.

By mid-1981 EPA plans to add nine chemicals to the Section 112 list. These are: arsenic, coke oven emissions, cadmium, acrylonitrile, perchloroethylene, tri-chloroethylene, methyl chloroform, methylene chloride and toluene. For some of these chemicals EPA does not have an adequate scientific basis to designate them under Section 112. In addition, all listings published by EPA so far contain 33 other chemicals for consideration to be regulated under Section 112.

D. Clean Water Act (CWA)

The major area in which the CMA Special Programs Division may be asked to provide services is the clean water quality criteria and standards. EPA is currently finalizing water quality criteria for protection of aquatic life and human health for the 65 Consent Decree priority pollutants. These criteria may form the bases of state water quality standards.

A partial list of 65 chemicals designated as priority pollutants is shown in Table 4.

E. Occupational Safety and Health Act (OSH Act)

OSHA has recently published a list of substances which are candidates for further scientific review and possible identification, classification, and regulation as potential occupational carcinogens. Chemicals on this list are shown in Table 5. This list does not include chemicals on EPA's Cancer Assessment Group listing. Chemicals identified by CAG as having substantial evidence of carcinogenicity are listed in Table 6. Since 1970, OSHA has initiated rulemaking proceedings on asbestos, vinyl chloride, coke oven emissions, arsenic, benzene, acrylonitrile, and beryllium in addition to the original 14 carcinogens.

The CMA Executive Committee in 1977 approved an advocacy program for benzene in response to an unjustified worker-exposure standard proposed by OSHA. The CMA Benzene Program Panel successfully supported the American Petroleum Institute in rebutting that standard. As OSHA initiates additional rulemaking procedures on specific chemicals, the need for services from CMA's Special Programs Division may also increase.

F. National Toxicology Program (NTP) - A Non-Regulatory Activity within the Department of Health and Human Resources Having Significant Impact on The Chemical Industry

The Government agencies participating in the NTP program are: FDA, NCI, NIEHS, and NIOSH. The major task of NTP is to identify those chemicals that must be controlled to prevent disease. The program, proposed in the 1980 Annual Plan of NTP, called for testing about 600 chemicals with an operating budget of $68.8 million. An alphabetical index of chemicals cited in the annual plan is shown in Table 7. It is in the interest of companies producing and processing these chemicals to form special programs under CMA to continuously follow the research conducted by NTP and to generate their own data if they do not agree to the conduct of research being performed by the Government. Even though EPA and OSHA are not currently participating in NTP, data generated from this program will be used by both of these agencies to regulate the production and processing of chemicals designated "toxic" by NTP.

III. DIVISION OF BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS

A. Division Overview and History

The Division of Biomedical and Environmental Special Programs (Special Programs) provides manufacturers, processors, and/or users of a chemical or chemicals with the opportunity to support collectively research and/or advocacy programs on specific chemicals. This division was known formerly as Special Projects. The Chemical Manufacturers Association (CMA) approved the first "special project" in 1972. The intent at that time was for CMA to collect and disburse the necessary funds, contract for the research to be done, and provide meeting facilities and surveillance over the conduct of the meetings. The time requirements on CMA staff were expected to be minimal since the participating companies would provide all technical expertise and management skills necessary to conduct the programs. The administration of these programs was assigned to CMA secretaries of several standing committees.

The number of special programs administered by CMA increased at a moderate rate from 1972 to 1979. By the end of 1979, CMA was administering 17 special programs. In 1980, requests for CMA to undertake new special programs suddenly increased tremendously. This increase was due mainly to increased activities related to the Toxic Substances Control Act, Clean Air Act and Clean Water Act. Within the past nine months, CMA received five requests to undertake new programs and two inquiries as to how to initiate a new special program. The Special Programs Division presently coordinates research and advocacy activities for twenty special programs.

CMA took its first steps toward advocacy in 1977 when the Benzene Program Panel was formed in response to a worker-exposure standard proposed by OSHA. Industry believed that the scientific studies on which this standard was based were flawed. The Benzene Panel's Charter was to develop a sound technical base that could be used by the industry to challenge the proposed regulations. The Benzene Panel's Charter was expanded in November 1978, to allow the Panel to represent the interests of the members of CMA before Federal and state agencies in all matters relating to safety and health issues arising out of the production, reaction, release, packaging, repackaging, storage, transportation, handling or use of benzene. Until 1980, no other program panel had been chartered for advocacy.

In September 1979, the CMA Executive Committee authorized the formation of a Special Projects Advisory Group (SPAG). Appendix A lists membership proposed for approval by the CMA Executive Committee at its October 27, 1980 meeting. Along with

CMA staff, SPAG revised the existing Special Programs Guidelines and developed new guidelines for advocacy programs. The revised Guidelines and SPAG's Charter are included as Appendix B of this report. Among its other duties, SPAG reviews requests for individual product advocacy by special program panels and determines whether appropriate conditions for these advocacy positions have been met. During 1980, SPAG recommended approval of a limited advocacy charter for the fluorocarbon program and a research charter for the ketone program. SPAG also reviewed plans for a rubber additives research program and a non-metallic minerals industry advocacy program.

B. Staff Organization and Responsibilities

The Special Programs Division has a staff of ten including a Director, four program administrators, a program coordinator, and four secretaries. One program administrator and one secretary devote their time exclusively to the Fluorocarbon Program. The other three program administrators and three secretaries are responsible for the remaining nineteen (19) programs. Figure 1 outlines the organization of Special Programs with respect to both the staff and the specific programs.

Program administrators prepare for and attend panel and task group meetings, prepare records of meetings, and contract for and administer all contracts in their respective areas. In addition, when appropriate, program administrators:

- o communicate with government agencies on scientific and regulatory matters;
- o coordinate information flow to and from the agencies, the companies, other trade associations and academic communities; and,
- o coordinate the development of advocacy and regulatory position papers with appropriate CMA staff, standing committees, and outside consultants.

Professional development of both program administrators and secretaries is encouraged within their respective areas of operation. Ways through which Special Programs and CMA can operate more effectively are discussed at regular staff meetings.

The Special Programs Division keeps the office of General Counsel informed of the status of ongoing panel activities. A lawyer spends one-half of his time on special programs.

C. Orientation of Panel Members

At the orientation meeting for company representatives interested in a new special program, the acting program administrator distributes the Special Programs Guidelines. The Director of Special Programs emphasizes the major concepts covered by these Guidelines, and explains the importance of understanding them fully. The Director also explains, in detail, SPAG's function.

Each panel's program, according to the revised Guidelines, will be reviewed annually by SPAG. Along with the review of ongoing research and/or advocacy programs, SPAG will, at this time, offer advice on how the panel may better integrate its work with the rest of CMA. This integration and coordination is made easier because SPAG membership includes representatives from CMA's Chemical Regulations Advisory Committee (CRAC), Environmental Management Committee (EMC), and Occupational Safety and Health Committee (OSHC). In addition to periodic reviews of the panel, SPAG will review and update the Special Programs Guidelines on an annual basis. During the annual review, comments and criticism received on the Guidelines from panel members will be taken into consideration.

New members who join an ongoing program are given the Special Programs Guidelines and the program Charter and recent minutes of that Program.

With the acceptance of the new Special Programs Guidelines, it will be necessary to restructure any panel which is now set up for research only and later wishes to pursue advocacy. CMA staff will work closely with SPAG and the panel to implement this restructuring as smoothly as possible.

D. Panel/Staff Interface

Program Administrators are now playing a much more visible role in the operation of panels. They are guiding panels through interpretation of the new Guidelines and are working closely with panel and contractors in not only following the

research which is being performed, but making sure that the research is conforming to the agreements written by CMA. The Staff of Special Programs is consulting with other divisions of the CMA Technical Department for a more efficient approach to mutual problems.

E. Budget Management

To date CMA has spent $1,294,197 to administer research and advocacy commitments which total $14,413,655 (see Table 8).

CMA administration budget: From 1972 to 1974 CMA did not charge special programs for the service it provided because during that time such services did not have a significant impact on CMA's budget. In 1974, when staff time required to administer special programs began to increase, CMA began to charge the programs based on the time spent by the program administrator plus other direct expenses. This reimbursement was designed to eliminate the use of membership dues for the payment of special programs.

The programs currently are charged at a rate of $500/day, based upon time spent by the program administrator. This charge includes the direct and allocated costs of the full time professional and secretarial staff assigned to the Special Programs Division but does not include routine professional or support assistance from other Divisions of the Technical Department or from the Legal, Government Relations, Communications, and Administrative Services Departments. Other direct costs, such as out-of-town travel, meeting room and program equipment rentals when meetings are outside of CMA, conference calls, telex, unusually large printing and mailings, etc., are charged to the program as miscellaneous administrative expenses. Other CMA professional time, if required to work on specific or nonroutine aspects of the program, is charged at the same rate as the program administrator.

Interest received by CMA on non-disbursed Special Program funds is credited to CMA general funds to defray administrative costs not recovered by the daily established rate. The fluorocarbon program, however, is an exception to this rule. Starting June 1, 1980, the fluorocarbon program has been charged $16,000 per month (equivalent to $800/day) to cover all administrative expenses. The program simultaneously is credited with 0.66% interest on the previous month's balance. The results of this experiment will be evaluated at the end of the current fiscal year.

Research/advocacy budget: CMA requires written commitment for the full amount of the study budget from all participating companies before executing study contracts. A separate account is established to receive and disburse funds for each program, including additions and extensions subsequently authorized. Routinely, participating companies are invoiced at approximately 50% of their projected fiscal year commitments. Additional collections are made as necessary to maintain a reserve from which disbursements are made. The reserves are maintained as low as possible under financially sound management.

A financial statement for each program, detailing both the research/advocacy and administrative information, is prepared on a monthly basis. Review of these statements by the Director and the Program Administrators insures that each program is working within its authorized budget. A copy of this financial statement is provided to respective panel members at their meetings to keep them informed of the financial status of the panel.

F. Future Needs

If CMA is requested to expand the Special Programs Division to meet the increased need of the chemical industry, the need for additional resources will not be limited to the Special Programs Division, but also will involve the Legal and Administrative Departments. The future needs can be broken down into the following categories:

Program administrators/secretaries: Past experience has shown that the optimum number of programs a program administrator can handle efficiently is five, and that sharing a secretary among program administrators reduces efficiency. Thus, whenever a new program administrator is hired, a secretary should also be hired.

The total number of programs that can be administered efficiently by CMA will depend upon the structure of the Special Programs Division. With planned growth over a period of several years, CMA easily can administer up to 50 projects. However, such growth should only occur with proper coordination between the Technical, Legal and Administrative Departments.

Legal department: The extent of help necessary from the Legal Department will depend mainly upon the types of new programs administered by CMA. If CMA receives many requests for advocacy programs, the impact on the Legal Department will be considerable.

Accounting: The greatest impact of Special Programs' expansion will be on the Accounting Division. The Administrative Services Department should be consulted in evaluating this impact.

Word processing and reproduction capabilities: A dedicated word processing unit will become essential if the number of special programs administered by CMA exceeds 30. Partially dedicated reproduction and mailroom facilities will be essential if the number of programs administered by CMA exceeds 35.

Office space: As CMA expands the Special Programs Division, additional office space for new program administrators and secretaries will be needed based upon the extent of expansion. The expansion of the Special Programs Division may require the addition of personnel in the Legal and Administrative Services Departments, and should be taken into consideration when analyzing the office space issue.

Liability insurance: An outside expert or a brokerage firm should be consulted to provide CMA with guidance in this area. The information obtained should be factored into the decision process for expansion.

G. Conclusions

Within the past nine months, CMA received five requests to undertake new programs and two inquiries as to how to initiate a new special program. CMA can anticipate receiving many more inquires for special programs as a result of increased regulatory activities within various government agencies.

After considerable revision of both the Special Programs Guidelines and the standard research agreement, and the establishment of the Special Programs Advisory Group, CMA is now capable of fulfilling its new role as a more effective administrator of both research and advocacy programs. Compared to any other organization within the United States, CMA, at present, possesses the best capability to provide special program services and should expand its capabilities to serve the chemical industry at a higher level. As additional work is requested, staff requirements and additional needs will be identified along with their costs to maintain the Special Programs Division's self-funding status.

Table 1. -- The TSCA Section 4(e) Priority List

1. Acetonitrile
2. Acrylamide
3. Alkyl epoxides
4. Alkyl phthalates
5. Aniline and bromo, chloro and/or nitro Anilines
6. Antimony (metal)
7. Antimony sulfide
8. Antimony trioxide
9. Aryl phosphates
10. Benzidine-based dyes
11. Chlorinated benzenes, mono- and di-
12. Chlorinated benzenes, tri-, tetra-, and penta-
13. Chlorinated naphthalenes
14. Chlorinated paraffins
15. Chloromethane
16. Cresols
17. o-Dianisidine-based dyes
18. Dichloromethane
19. 1,2-Dichloropropane
20. Cyclohexanone
21. Glycidol and its derivatives
22. Halogenated alkyl epoxides
23. Hexachloro-1,3-butadiene
24. Hexachlorocyclopentadiene
25. Hydroquinone
26. Isophorone
27. Mesityl oxide
28. 4,4-Methylenedianiline
29. Methyl ethyl ketone
30. Methyl isobutyl ketone
31. Nitrobenzene
32. Phenylenediamines
33. Polychlorinated terphenyls
34. Pyridine
35. Quinone
36. o-Tolidine-based dyes
37. Toluene
38. 1,1,1-Trichloroethane
39. Xylene

Table 2. -- Schedule for EPA's Action on Chemicals Listed in Table 1.

Date	No. of Single Chemicals or Categories	Action	Chemicals	ITC Lists (1-6)
5/81	3	Proposed rules and/or decisions not to test	Nitrobenzene;	1
			Dichloromethane;	2
			1, 1, 1-Trichloroethane	2
1981	8	Proposed rules and/or decisions not to test	Eight of the following chemicals:	
			Acetonitrile	4
			Alkyl Phthalates	1
			Antimony	4
			Antimony Trioxide	4
			Antimony Sulfide	4
			Aryl Phosphates	2
			Benzidine Dyes	5
			Chloroparaffins	1
			Chloronaphthalenes	2
			Cresols	1
			Dianisidine Dyes	5
			Hexachlorobutadiene	1
			Methylenedianiline	4
			o-Tolidine Dyes	5
			Phenylenediamines	6
			Polychlorinated Terphenyls	2
1982	13	Proposed test rules and/or decisions not to test	(1) The eight remaining chemicals in the 1981 list	
			(2) Five of the following chemicals:	
			Alkyl Epoxides	1
			Acrylamide (Environmental)	2
			Anilines	4
			Chlorobenzenes (Environmental)	1, 3
			Cyclohexanone	4
			1, 2-Dichloropropane	3
			Haloalkyl Epoxides	2
			Pyridine	2
			Toluene	1
			Xylenes	1
1983	13	Proposed rules and/or decisions not to test	(1) The 5 remaining chemicals on the 1982 list	
			(2) The following eight chemicals:	
			Glycidol Group	3
			Hexachlorocyclopentadiene	4
			Hydroquirone	5
			Isopherone	4
			Mesityl Oxide	4
			Methyl Ethyl Ketone	4
			Methyl Isobutyl Ketone	4
			Quinone	5

Table 3

TRIAL CATEGORIES FOR WHICH NEW SOURCE PERFORMANCE STANDARDS ARE TO BE DEVELOPED*

TIONARY FUEL COMBUSTION
. Stationary internal combustion engines
LLURGICAL PROCESSES
. By-product coke ovens
. Foundries: Grey iron
.. Foundries: Steel
. Secondary aluminum
. Secondary copper
. Secondary zinc
. Uranium refining
RAL PRODUCTS
. Asphalt roofing
. Brick and related clay products
. Castable refractories
. Ceramic clay
. Fiberglass
. Glass
. Gypsum
. Metallic mineral processing
. Mineral wool
. Non-metallic mineral processing
. Perlite
.. Phosphate rock preparation
. Sintering: Clay and flyash
MERS AND RESINS
. ABS-SAN resins
2. Acrylic resins
). Phenolic resins
2. Polyester resins
). Polyethylene
5. Polypropylene
3. Polystyrene
L. Urea-melamine resins
D AND AGRICULTURAL
3. Alfalfa dehydrating
4. Ammonium sulfate
9. Ammonium nitrate fertilizer
9. Animal feed defluorination
3. Starch
0. Urea (for fertilizer & polymers)
7. Vegetable oil
IE INCINERATION
1. Incineration: industrial-commercial

BASIC CHEMICAL MANUFACTURE
1. Synthetic Organic Chemical Mfg
61. Borax and boric acid
47. Hydrofluoric acid
65. Phosphoric acid: Thermal process
40. Potash
46. Sodium carbonate

CHEMICAL PRODUCTS MANUFACTURE
52. Ammonia
2. Carbon black
31. Charcoal
71. Detergent
17. Explosives
7. Fuel conversion
34. Printing ink
35. Synthetic fibers
28. Synthetic rubber
29. Varnish

EVAPORATIVE LOSS SOURCES
6. Dry cleaning
9. Graphic arts
15. Industrial surface coating: Autos
3. Industrial surface coating: Cans
8. Industrial surface coating: Fabric
37. Industrial surface coating: Large appliances
32. Industrial surface coating: Metal coils
5. Industrial surface coating: Paper

PETROLEUM INDUSTRY
25. Crude oil & natural gas production
72. Gasoline additives
4. Petroleum refinery: Fugitive sources
33. Transportation and marketing

WOOD PROCESSING
24. Chemical wood pulping: Acid sulfite
22. Chemical wood pulping: Neutral sulfite (NSSC)
36. Plywood manufacture

CONSUMER PRODUCTS
56. Textile processing

MINOR SOURCE CATEGORIES
Lead acid battery manufacture
Solvent metal cleaning (degreasing)
Industrial surface coating: metal furn.

This list was issued under §311 of the Clean Air Act by EPA on August 31, 1978 (43 Fed. Reg. 38872-77). The numbers were assigned by EPA to reflect priorities, the lowest numbers indicating highest priority.

Table 4.-- A Partial List of 65 Chemicals Designated as Priority Pollutants

Arsenic
Benzene
Beryllium
Cadmium
Carbon tetrachloride
Chlordane
Chlorinated naphthalenes
Chloroform
2-chlorophenol
Dichlorobenzenes
2,4-Dimethylphenol
2,3,7,8-Tetrachlorodibenzo-p-dioxin
Fluoranthene
Heptachlor
Hexachlorobutadiene
Hexachlorocyclopentadiene
Lead
Nitrosamines
Pentachlorophenol
Selenium
Silver
Tetrachloroethylene
Thallium
Trichloroethylene
Vinyl Chloride

Table 5. -- Occupational Safety and Health Administration

A List of Substances Which May Be Candidates

for Further Scientific Review

ne, 5-nitro-
lihydro-5-nitro-acenaphthylene

necarboxamide

, 4'-phenyl-
tylaminobiphenyl

, bromo-, ethyl ester

etidide, 3'-amino-
o-4-ethoxyacetanilide

etidide, 3'-nitro-
o-p-acetophenetide

osine

-dimethyl-p-nitroso-
osodimethylaniline

-dimethyl-p-(o-tolylazo)-
ethyl-4-((3-methylphenyl)azo)

chloride
mine hydrochloride

Aniline, N-methyl-N-nitroso-
Syn: N-Methyl-N-nitrosobenzenamine

Aniline, 4,4'-methylenebis(N,N-dimethyl-
Syn: Michler's Base

Aniline, 4,4'-sulfonyldi-
Syn: Dapsone

Aniline, 4,4'-thiodi-
Syn: p,p'-Diaminodiphenyl sulfide

Aniline, 2,4,6-trichloro-
Syn: 2,4,6-Trichloroaniline

Aniline, 2,4,6-trimethyl-
Syn: Aminomesitylene

o-Anisidine, 5-methyl-
Syn: p-Cresidine

o-Anisidine, 5-nitro-
Syn: 2-Amino-4-nitroanisole

Anthraquinone, 2-amino-
Syn: 2-Amino-9,10-anthracenedione

Asphalt
Syn: Petroleum pitch

Azobenzene
Syn: Benzeneazobenzene

1,3-Benzenediamine, 4-methoxy-, sulfate (1:1)
Syn: 2,4-Diaminoanisole sulfate

Benzidine dihydrochloride
Syn: (1,1'-Biphenyl)-4,4'-diamine dihydrochloride

Benzimidazole, 5-nitro-
Syn: 6-Nitro-benzimidazole

Benzoic acid, 3-amino-2,5-dichloro-
Syn: Amiben

Benzoic acid, hydrazide
Syn: Benzoyl hydrazide

Benzophenone, 4,4'-bis(dimethylamino)-
Syn: Michler's Ketone

p-Benzoquinone dioxime
Syn: Quinone dioxime

4'4'''-Biacetanilide
Syn: Diacetylbenzidine

3,3',4,4'-Biphenyl-tetramine
tetrahydrochloride
Syn: 3,3'-Diaminobenzidine tetrahydrochloride

Butyric acid, 2-amino-4-(ethylthio)-, DL-
Syn: DL Ethionine

Butyric acid, 2-amino-4-(ethylthio)-, L-
Syn: Ethionine

Carbamic acid, bis(2-hydroxyethyl)dithio-, monopotassium
salt
Syn: Potassium bis(2-hydroxyethyl)dithiocarbamate

Carbazole, 3-amino-9-ethyl
Syn: 3-Amino-N-ethylcarbazole

C.I. Azoic Diazo component 11
Syn: o-Toluidine, 4-chloro-, hydrochloride

C.I. Direct Black 38, disodium salt
Syn: 2,7-Naphthalenedisulfonic acid, 4-amino-3-
((4'-((2,4-diaminophenyl)azo) (1,1'-biphenyl)-4-yl)
azo) 5-hydroxy-6-(phenylazo), disodium salt

C.I. Direct Blue 5, tetrasodium salt
Syn: 2,7-Naphthalenedisulfonic acid, 3, 3'-((4,4'-
biphenylene)bis(azo)) bis (5-amino-4-hydroxy-,
tetrasodium salt

C.I. Direct Brown 95
Syn: Copper, (5-((4'-((2, 6-dihydroxy-4-
((2-hydroxy-5-sulfophenyl)azo) phenyl)azo)(1,1'-biphenyl)-4yl)
azo) 2-hydroxybenzoato(2-))-, disodium salt

C.I. Disperse Black 6, dihydrochloride
Syn: Benzidine, 3,3'-dimethoxy-, dihydrochloride

C.I. Disperse Orange 11
Syn: Anthraquinone 1-amino-2-methyl-

C.I. Solvent Orange 2
Syn: 1-(o-Tolylazo)-beta-naphthol

C.I. Solvent Yellow 1
Syn: Aniline, o-(phenylazo)-

C.I. Solvent Yellow 3
Syn: o-Toluidine, 4-(o-tolylazo)-

C.I. Solvent Yellow 34
Syn: Aniline, 4,4'-(imidocarbonyl)bis
(N,N-dimethyl-

Cyclohexane, 1,2,3,4,5,6-hexachloro-
Syn: Benzene hexachloride

Diethylamine, 2,2'-dichloro-N-methyl-, hydrochloride
Syn: Mechlorethamine hydrochloride

p-Dioxan-4-ol, 2,6-dimethyl-, acetate
Syn: Acetomethoxan

Diphenylamine, 4-nitroso-
Syn: p-Nitroso-N-phenylaniline

Diphenylamine, N-nitroso-
Syn: Diphenylnitrosamine

Ethane, 1,2-bis (chloromethoxy)-
Syn: Ethylene glycol bis (chloromethyl) ether

Ethane, 1,1-dichloro-2,2-bis(p-chlorophenyl)-
Syn: TDE

Ethane, 1,1-dichloro-2,2-bis(p-ethylphenyl)-
Syn: p,p'-Ethyl-DDD

Ethanol, 2-hydrazino-
Syn: beta-Hydroxyethylhydrazine

Ether, 2,4-dichlorophenyl p-nitrophenyl
Syn: 2,4-Dichloro-1-(4-nitrophenoxy)benzene

Ethylene, bromo-
Syn: Vinyl bromide

Ethylene, 1,1-dichloro-2,2-bis(p-chlorophenyl)-
Syn: p,p'-DDE

Fluoren-9-one, 2,4,7-trinitro-
Syn: 2,4,7-Trinitro-9H-fluoren-9-one

Fluorene, 2-nitro-
Syn: 2-Nitro-9H-fluorene

2-Furaldehyde, 5-nitro-, semicarbazone
Syn: Nitrofurazone

Hydrazine, 1,2-dimethyl-, dihydrochloride
Syn: sym-Dimethylhydrazine dihydrochloride

Hydrazine, methyl-
Syn: Hydrazomethane

Hydrazine methyl-, sulfate(1:1)
Syn: Methylhydrazine monosulfate

Hydrazine, monohydrate
Syn: Hydrazine hydrate

Hydrazine, phenyl-, monohydrochloride
Syn: Phenylhydrazine hydrochloride

razine, sulfate (1:1)
: Hydrazine hydrogen sulfate

roxylamine, N-nitroso-N-phenyl-,
monium salt
Cupferron

azole-4-carboxamide, 5-(3,3'-dimethyl-1-
iazeno)-
Dacarbazine

thalonitrile, tetrachloro-
m-Tetrachlorophthalonitrile

-Metheno-1H-cyclobuta(cd)pentalene,
a,2,2,3,3a,4,5,5,5a,5b,6-dodecachlorooctahydro-
Mirex

thylamine, N,N-bis(2-chloroethyl)
Naphthylamine mustard

acetic acid
Peracetic acid

, 4-amino-3-nitro-
C.I. 76555

lenediamine, 4-chloro-
l-Chlorophene-1,3-diamine

lenediamine, 4-chloro-
-Chloro-1,2-benzenediamine

lenediamine dihydrochloride
,2-Benzenediamine dihydrochloride

enediamine, 2-nitro-
I. 76070

ic acid, 2-chloro-
,5-trichlorophenyl)vinyl dimethyl ester
trachlorvinphos

ic acid, trimethyl ester
hyl phosphate

c triamide, hexamethyl-
A

acid, 4-amino-3,5,6-trichloro-
loram

, 1,4-dinitroso-
-Dinitrosopiperazine

2-bis(p-(2,3-epoxypropoxy)phenyl-
henol A diglycidyl ether

-nitro-
itrophenone

,6-diamino-3-(phenylazo)-,
nchloride
zoquinoline hydrochloride

aphthalene

l-nitro-
ohene

Semicarbazide
Syn: Carbamylhydrazine

Semicarbazide monohydrochloride
Syn: Carbamylhydrazine hydrochloride

Semicarbazide, 1-phenyl-
Syn: Cryogenazine

4,4'-Stilbenediol, alpha,alpha'-diethyl-,
dipropionate, (E)-
Syn: Diethylstilbestrol dipropionate

Strobane
Syn: Terpene polychlorinate

Succinic acid, mono (2,2-dimethylhydrazide)
Syn: Daminozide

Sulfanilamide, N'-(5-methyl-3-isoxazolyl)-
Syn: Sulfamethoxazole

Sulfuric acid, diethyl ester
Syn: Ethyl sulfate

Tellurium, tetrakis(diethyldithiocarbamato)-
Syn: Ethyl Tellurac

Terphenyl, chlorinated
Syn: PCT

Thiazole, 2-amino-5-nitro-
Syn: Entramin

o-Toluamide,N-isopropyl-alpha-(2-methyl-
hydrazino)-monohydrochloride
Syn: Procarbazine hydrochloride

Toluene-2,4-diamine
Syn: o-Toluenediamine

o-Toluidine
Syn: 1-Amino-2-methylbenzene

o-Toluidine, 5-chloro-
Syn: 1-Amino-3-chloro-6-methylbenzene

o-Toluidine, alpha, alpha, alpha-trifluoro-
2,6-dinitro-N,N-dipropyl-
Syn: Trifluralin

Uracil, 2-thio-
Syn: 2-Mercapto-4-hydroxypyrimidine

Urea, 3-(p-Chlorophenyl)-1,1-dimethyl-
Syn: Monuron

Urea, 1,3-diethyl-2-thio-
Syn: N,N'-Diethylthiourea

Urea, 1,1,3,3-tetramethyl-2-thio-
Syn: TMTU

Urea, 1,1,3-trimethyl-2-thio-
Syn: N,N,N'-Trimethylthiourea

**Confirmed in workplace + positive evidence.

Table 6. -- Chemicals Having Substantial Evidence of Carcinogenicity; CAG List

2-Acetylaminofluorene [1]
Acrylonitrile (CAG, IARC)
Aflatoxins (IARC) [1]
Aldrin (CAG, NCI)
4-Aminobiphenyl (IARC)
Amitrole (IARC)
Aramite (IARC)
Arsenic and Arsenic Compounds (CAG, IARC)
Asbestos (CAG, IARC)
Auramine and the manufacture of Auramine (IARC)
Azaserine (IARC) [1]
Benz(c)acridine (IARC) [1]
Benz(a)anthracene (IARC)
Benzene (CAG, IARC)
Benzidine (CAG, IARC)
Benzo(a)pyrene (IARC)
Benzo(b)fluoranthene (IARC)
Benzo(j)fluoranthene (IARC) [1]
Beryllium and Beryllium Compounds (CAG, IARC)
N,N-Bis(2-Chloroethyl)-2-Naphthylamine (Chlornaphazine) (IARC) [1]
Cadmium and Cadmium Compounds (CAG, IARC)
Carbon Tetrachloride (CAG, IARC)
Chlorambucil (IARC) [1]
Chloroalkyl Ethers
  Bis(2-chloroethyl)ether (BCEE) (CAG) (IARC) [1]
  Bis(chloromethyl)ether (BCME) (CAG, IARC)
Chloromethyl methyl ether (CMME), technical grade (IARC)
Chlordane (CAG, NCI)
Chlorinated Ethanes
  1,2-Dichloroethane [Ethylene Chloride, Ethylene Dichloride (EDC)] (CAG, IARC, NCI)
  Hexachloroethane (CAG)
  1,1,2,2-Tetrachloroethane (CAG)
  1,1,2-Trichloroethane (CAG, NCI, IARC) [1]
Chlorobenzilate (CAG)
Chloroform (CAG, IARC)
Chromium Compounds, Hexavalent (CAG, IARC)
Chrysene (IARC) [1]
Citrus Red No. 2 (IARC)
Coal Tar and Soot (CAG included in IARC's soots, tars, and oils designation)
Coke oven Emissions [Polycyclic Organic Matter (POM)) (CAG)
Creosote (CAG)
Cycasin (IARC)
Cyclophosphamide (IARC) [1]
Daunomycin (IARC) [1]
DDT (Dichlorodiphenyltrichloroethane) (CAG)
Diallate (CAG) (IARC) [1]
Dibenz(a,h)acridine (IARC)
Dibenz(a,j)acridine (IARC)
Dibenz(a,h)anthracene (IARC)
7H-Dibenzo(c,g)carbazole (IARC)
7H-Dibenzo(c,g)carbazole (IARC)
Dibenzo(a,e)pyrene (IARC)
Dibenzo(a,h)pyrene (IARC)
Dibenzo(a,i)pyrene (IARC)
1,2-Dibromo-3-chloropropane (DBCP) (CAG, IARC, NCI)
1,2-Dibromoethane [Ethylene Bromide, Ethylene Dibromide (EDB)] (NCI, CAG, IARC)
3,3'-Dichlorobenzidine (DCB) (CAG, IARC)
Dieldrin (CAG)
Diepoxybutane (IARC)
1,2-Diethylhydrazine (IARC)
Diethylstilbestrol (DES) (IARC) [1]
Dihydrosafrole (IARC)
3,3'-Dimethoxybenzidine (*o*-Dianisidine) (IARC)
p-Dimethylaminoazobenzene (IARC)
7,12-Dimethylbenz(a)anthracene [1]
3,3'-Dimethylbenzidine (*o*-Tolidine) (IARC)
Dimethylcarbamoyl Chloride (IARC)
1,1-Dimethylhydrazine (IARC)
1,2-Dimethylhydrazine (IARC)
Dimethyl Sulfate (IARC)
2,4-Dinitrotoluene (CAG, NCI)
1,4-Dioxane (NCI)
1,2-Diphenylhydrazine (CAG)
Epichlorohydrin (CAG)
Ethylenebisdithiocarbamate (EBDC) (CAG)
Ethyleneimine (Aziridine) (IARC) [1]
Ethylene Oxide (CAG, IARC)
Ethylenethiourea (CAG, IARC)
Ethyl Methanesulfonate (IARC)
Formaldehyde (CAG)
Glycidaldehyde (IARC)
Heptachlor (CAG, NCI)
Hexachlorobenzene (CAG, IARC)
Hexachlorobutadiene (CAG)
Hexachlorocyclohexane (HCH)
  HCH (CAG)
  HCH (Lindane) (CAG)
  Technical HCH (CAG)
Hydrazine (IARC)
Indeno(1,2,3-cd)pyrene (IARC)
Iron Dextran (IARC) [4,5]
Isosafrole (IARC)
Kepone (Chlordecone) (CAG, NCI)
Lasiocarpine (IARC, NCI)
Melphalan (IARC) [1]
Methapyrilene (FDA) [1]
3-Methylcholanthrene [1]
4,4'-Methylenebis(2-Chloroaniline) (MOCA) (IARC)
Methyl Iodide (CAG, IARC)
Methyl Methanesulfonate (IARC)
N-Methyl-N'-nitro-N-nitrosoguanidine (IARC)
Methylthiouracil (IARC) [1]
Mitomycin C (IARC) [1]
Mustard Gas (IARC)
1-Naphthylamine, technical grade (CAG)
2-Naphthylamine (IARC)
Nickel and Nickel Compounds (CAG, IARC)
Nitrogen Mustard and its hydrochloride (IARC)
Nitrogen Mustard N-oxide and its hydrochloride (IARC)
5-Nitro-*o*-toluidine (NCI)
4-Nitroquinoline-1-oxide [1]
Nitrosamines
  N-Nitrosodiethanolamine (IARC)
  N-Nitrosodiethylamine (DENA) (CAG, IARC)
  N-Nitrosodimethylamine (DMNA) (CAG, IARC)
  N-Nitrosodi-n-butylamine (IARC)
  N-Nitrosodi-n-propylamine (IARC)
  N-Nitrosomethylethylamine (IARC)
  N-Nitrosomethylvinylamine (IARC)
  N-Nitroso-N-Ethylurea (NEU) (CAG, IARC)
  N-Nitroso-N-Methylurea (NMU), (CAG, IARC)
  N-Nitroso-N-methylurethane (IARC)
  N-Nitrosomorpholine (IARC)
  N-Nitrosonornicotine (IARC)
  N-Nitrosopiperidine (IARC)
  N-Nitrosopyrrolidine (IARC)
  N-Nitrososarcosine (IARC)
Pentachloronitrobenzene (PCNB) (CAG)
Phenacetin (IARC) [1]
Polychlorinated Biphenyls (PCBs) (CAG, IARC)
Pronamide (CAG)
1,3-Propane Sultone (IARC)
β-Propiolactone (IARC)
Propylthiouracil (IARC) [1]
Reserpine (NCI) [1]
Saccharin (FDA) [1]

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ɜ (CAG, IARC) [4]
ɯm Sulfide (NCI)
ɔzotocin (IARC) [4]
-Tetrachlorodibenzo-p-dioxin (TCDD) (CAG)
hloroethylene (Perchloroethylene) (CAG, NCI)
etamide (IARC)
ea (IARC)
idine Hydrochloride (NCI)
ıene (CAG, IARC, NCI)
ɔroethylene (CAG, NCI)
richlorophenol (NCI)
aziridinyl)phosphine sulfide (Thio-TEPA) (IARC,
) [4]
3-dibromopropyl)phosphate (IARC, NCI)
ı Blue, commercial grade (IARC)
Mustard (IARC) [4]
Urethane (IARC) (Ethyl carbamate; ethyl ester of carbamic acid)
Vinyl Chloride (CAG, IARC)
Vinylidene Chloride (CAG)

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[1] This is not a comprehensive list of *all* chemicals having substantial evidence of carcinogenicity. Other chemicals will be added. No attempt has been made to select chemicals based upon appropriateness for regulation by EPA. The list is intended to be a basis for selection by the various program offices according to their specific needs.

[2] Well known carcinogen for which no report has been prepared by CAG or IARC.

[3] Fungal toxin, not an industrially manufactured product.

[4] Used as a drug.

[5] Evaluated by IARC as not having sufficient evidence of carcinogenicity.

[6] Used as a foood.

Table 7. -- Alphabetical Index of Chemicals Cited in the NTP Annual Plan

To reduce bulk

Pages 24 - 45 are not included.

They will be provided upon request.

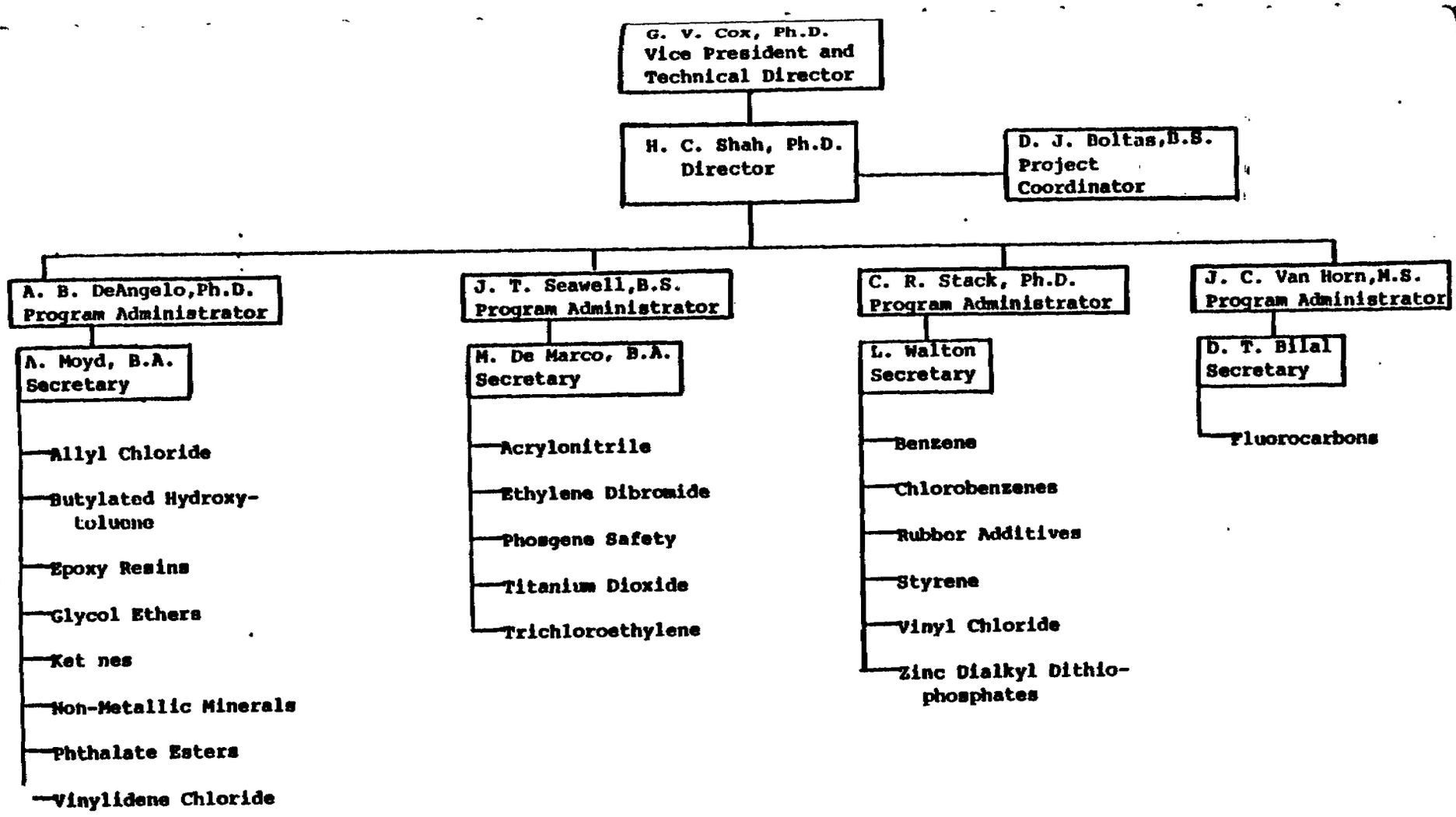

FIGURE 1. Organization of Biomedical and Environmental Special Programs

CMA
10/8/80

TABLE 8

BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS BUDGET[a]

PROGRAM	RESEARCH AND ADVOCACY COMMITMENT	ADMINISTRATIVE EXPENSES	TOTAL
Acrylonitrile	$ 728,484	$ 59,411	$ 787,895
Allyl Chloride	210,600	13,948	224,548
Benzene	1,430,444	83,526	1,513,970
Butylated Hydroxytoluene	21,944	25,213	47,157
Chlorobenzenes	300,972	22,334	323,306
Epichlorohydrin	214,882	27,332	242,214
Epoxy Resins	-0-	9,368	9,368
Ethylene Dibromide	10,000	28,836	38,836
Ethylene Dichloride	288,100	59,376	347,479
Glycol Ethers	-0-	-0-	-0-
Ketones	-0-	10,901	10,901
Phosgene	207,912	55,035	262,947
Phthalate Esters	106,471	72,086	178,557
Rubber Additives	27,900	5,867	33,767
Styrene	708,218	54,934	763,152
Titanium Dioxide	30,725	14,615	45,340
Trichloroethylene	490,506	77,152	567,658
Vinyl Chloride	1,326,562	112,958	1,439,520
Vinylidene Chloride	729,482	52,088	781,570
Zinc Dialkyl Dithiophosphates	-0-	-0-	-0-
Subtotal	6,833,202	784,983	7,618,185
Fluorocarbons	7,580,453	509,214	8,089,667
TOTAL	$14,413,655	$1,294,197	$15,707,852

[a]Fluorocarbons program from start thru May 30, 1980. All other programs start to September, 1980.

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[b]API is co-sponsoring a portion of this research. Its share ($1,587,786) is not shown in this figure. The figure does include $303,388 paid to outside legal counsel not shown on the program summary in Appendix A.

9/22/80

APPENDIX A

BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS GUIDELINES

October 14, 1980

TABLE OF CONTENTS

1.0 OBJECTIVE

The objective of the Biomedical and Environmental Special Programs Division, hereafter referred to as Special Programs, is to provide manufacturers, processors, and/or users of a chemical or chemicals with the opportunity to support collectively research and/or advocacy[1] on specific chemicals. It is the intent of the Chemical Manufacturers Association(CMA) to serve participating companies by providing proper and effective administration.

It is anticipated that scientific information developed through research programs will promote the health and safety of the general public and of workers involved in manufacturing and processing of these chemicals. All significant findings of CMA-administered research programs will be disclosed to the public in a timely manner.

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[1]When referring to Special Programs, advocacy involves external communication (not designed solely for information exchange) that relates to existing or developing regulations, legislation or litigation.

2.0 PROCEDURE FOR ESTABLISHING A NEW RESEARCH AND/OR ADVOCACY PROGRAM

2.1 Program Development

CMA will undertake only those programs that are consistent with the purpose and objectives of the Association as approved by the Board of Directors (See Section 6.0).

CMA's procedure for development of a research and/or advocacy program is included in Figure G-1 and described below:

(a) A member company must request, in writing, that CMA explore the possibility of administering a new research and/or advocacy program.

(b) Initially, CMA will inform U.S. manufacturers of the subject chemical(s) and all Canadian member companies of the request received and will evaluate their interest in participating in the program. Consideration will also be given to other potentially interested parties.

(c) If two or more manufacturers, including at least one CMA member company, are interested in participating in the program, CMA will hold a meeting for company representatives to discuss the feasibility of establishing the program under CMA's administration. Those attending should be prepared to discuss:

(i) specific program needs and proposals;

(ii) estimated costs;

(iii) basis of funding; (The estimated cost may be equally shared among all companies or may be pro-rated based on their production and/or use volume, sales volume, or other method agreed upon by the panel and CMA.)

(iv) extent of participation by processors, users, other trade associations, and/or foreign companies; and

(v) voting procedure. Each special program panel will prepare written voting

procedures before funding commitments are made. These voting procedures will govern decision-making by the panel. At a minimum, the procedures must define a quorum and prescribe the number of votes needed to render a decision of the panel. Each panel will have only one voting representative per participating company. Other nonvoting members may be invited by the panel. Provisions to permit balloting by mail or by proxy may be included.

(d) Representatives of interested companies will draft a charter and formulate a description of the proposed program. The charter must clearly describe the purpose and scope of the program. Model charters will be available from the program administrator.

(e) Each company intending to participate in the program will appoint a representative. These representatives will form a program panel. If a program involves advocacy, its panel should include individuals with legal, regulatory, business and scientific expertise. If a program involves research only, its panel must consist of members with experience in scientific and regulatory areas.

(f) CMA will record time spent on program administration during the development phase of a program. All accumulated charges will be transferred to the program if it is approved by CMA.

2.2 Program Approval by CMA

CMA's procedure for approval of a special program will be as follows:

(a) The Director of Special Programs and Office of General Counsel will evaluate the proposal for the availability of CMA resources and the program's consistency with CMA policies and procedures.

(b) A panel representative will present the draft charter of the proposed program to the Biomedical and Environmental Special Programs Advisory Group (SPAG) for its recommendation for approval. SPAG's charter is described in Section 5.0 of these Guidelines.

(c) After careful review of the draft charter and projected availability of both professional and financial resources from participating companies, SPAG will notify the Director of Special Programs, and through him the Office of General Counsel and President, of its recommendation as to approval or disapproval of the program and the charter.

(d) Based upon SPAG's recommendation the CMA Board of Directors will approve the program and commit CMA resources. The Board of Directors may delegate this authority to the Executive Committee or the President.

2.3 Program Acceptance by Companies

CMA will distribute the draft charter, a description of the planned activities and a proposed budget to companies which may have an interest in participation. A form for accepting the basis of funding and pledging support of the proposed program will accompany the proposal. Unpublished business information such as production capacity and sales volume, when obtained to determine pro-rata share, will be held confidential.

The sponsoring companies, before committing themselves to participating in the program, must agree to:

(a) conduct the program according to CMA general policies and procedures as described in these guidelines and according to the "Antitrust Guide for CMA Committee Members," (See Section 7.0);

(b) conduct the program with the full participation and guidance of CMA's Office of General Counsel and disclose to this Office all potential conflicts of interest;

(c) arrange for employment of outside counsel, if required, through CMA;

(d) accept CMA administration and disbursement of program funds at the panel's direction;

(e) provide a program panel representative who is qualified and assigned to devote the time necessary to fulfill the panel responsibilities as outlined in these guidelines;

(f) follow CMA clearance procedure for release of information about and from the program. This commitment shall not preclude individuals or

corporations from releasing information without CMA clearance where the law imposes the responsibility upon an individual or corporation;

(g) make validated research results, whether interim or final, available to the public. Access to raw data underlying studies in the public domain (including tissues, slides and the like) will be made available upon the receipt of reasonable requests which show the need for such data. Requests which will involve additional costs to be incurred by the participating companies and possible reimbursement due to such companies (e.g. under TSCA and FIFRA) will be reviewed by the panel in advance of any commitment to release the raw data;

(h) disclose to CMA and other participants any private agreement(s) on the subject chemical(s) under consideration for the proposed work;

(i) pursue long-range objectives of the program. For advocacy programs this may include litigation;

(j) conduct the proposed program in accordance with the approved charter. Each panel member will be responsible for obtaining approval from his/her company of proposed changes in the scope of the charter. The panel must then request approval for such changes from SPAG and CMA; and,

(k) restructure a panel which was structured for research and which later wishes to pursue advocacy. In such a case, the panel must also develop a new charter.

2.4 Additional Participation

The proposal for a new program may be distributed to other trade associations or companies, if there appears to be a common scientific and business interest. Initial contacts with other associations will be coordinated with CMA's Director of Association Liaison.

Opportunities will be provided for additional participants to join the panel with appropriate allocations of expenses.

3.0 ADMINISTRATION OF SPECIAL PROGRAMS

3.1 Program Panel

The Director of Special Programs will appoint a program administrator as the CMA representative on the Program Panel. The chairman and vice chairman of the panel will be elected by panel members. A critical factor in the successful conduct of a special research and advocacy program is the selection of chairmen with leadership abilities, technical competence and a commitment from his/her management for the time necessary to do the required job. No individual will be chairman of more than one panel without written commitment from the company. Each panel will elect or reelect the panel chairman and vice chairman annually. All panel and task group meetings must be called and attended by the CMA staff representative. All CMA program-related meetings with regulatory agencies or contractors must be arranged in coordination with CMA.

Each panel representative will supply CMA with the name of his/her management contact. The management contact is the official of a participating company who has the authority to commit both professional and financial resources of the company to support the program. A panel representative can be a management contact also. CMA must be informed in writing when there is a change in the management contact or the panel representative.

The panel has the ultimate responsibility for planning the research program, preparing and approving protocols, identifying potential contractors, directing the research, and reviewing technical publications. The panel will instruct the program administrator regarding the selection of contractors, proposed expenditure of funds and any modifications or extensions of planned protocols within the charter of the approved program and within the budget approved by the management contacts. To ensure scientific integrity, the panel members will decide on the appropriateness of third-party monitoring and/or in-depth technical auditing for every study. It is the individual panel member's responsibility to report to CMA's program administrator any contacts he/she has with study contractors regarding the panel's project.

CMA has the obligation to oppose for just cause the hiring or utilization of any contractor. Any

disagreement will be referred to SPAG for its recommendations. At the request of the panel, the program administrator will prepare and the CMA treasurer will execute agreements with approved organizations. The panel may request modification of any agreement, including changes in the protocol; however, execution of these changes will be the responsibility of CMA. As a general guideline, CMA recommends that the initial funding for each study include an appropriate contingency fund. At the conclusion of any research project, the program panel may reallocate any unexpended funds to other approved panel activities.

CMA's program responsibilities will include the collection, disbursement, and accounting of all funds related to the program, providing secretarial and technical services to coordinate and administer the program, and providing advice on policy matters relating to the conduct of research or advocacy programs. Program administrators will prepare for and attend panel and task group meetings, prepare records of meetings, and administer all contracts in their respective areas. In addition, the CMA program administrator will, when appropriate: (1) establish close working relationships with government agencies; (2) coordinate information flow to and from the agencies, the companies, other trade associations, and academic communities; and (3) coordinate the development of advocacy and regulatory position papers with appropriate CMA staff and outside consultants.

In order to facilitate legal assistance to the panel, CMA's Office of General Counsel will be kept informed of the status of ongoing panel activities.

The panel member will have the responsibility for all communications on program matters to interested parties within his/her own company. CMA will direct all technical and financial communications with participating companies to the panel members. The panel members are responsible for obtaining financial and personnel commitments from their companies. If in CMA's opinion, undue delays are attributable to lack of commitment on the part of the company or its representative, CMA may communicate directly with the management contact to alleviate the situation.

Meetings will be held in Washington, D.C., unless otherwise approved by the Director of Special Programs. When a meeting is held outside of Washington, D.C, all expenses for that meeting, including those incurred by the program administrator and by panel authorized

guests, will be charged as administrative expenses to the panel. Panel members will always be individually responsible for their personal expenses. The panel may underwrite expenses incurred by one or more of its members in performing a preauthorized task.

Each panel chairman, in conjunction with the program administrator, will prepare an annual report for presentation to SPAG.

3.2 Task Groups

Panels may organize task groups to perform specific functions. The panel chairman will appoint the members and chairman of the task group. Each task group must have a charter approved by the full panel and CMA.

Task group chairmen will report to the panel at the discretion of the panel chairman. There will be a full panel review of task group activities and membership at least once a year. This review will establish the necessity for the continuation of the task group and whether the task group is acting within its approved charter. Any task group which has fulfilled its responsibilities under the established charter must be disbanded.

3.3 Financial

3.3.1 CMA administration

CMA will charge participating companies the full costs, including overhead, for administering special programs. The program account will be charged at the established per diem for professional staff. The current charge is $500/day. This charge includes the direct and allocated costs of the full time professional and clerical staff assigned to the Special Programs Division but does not include routine professional or support assistance from other Divisions of the Technical Department or from the Legal, Government Relations, Communications, and Administrative Services Departments.

Other direct costs, such as out-of-town travel, meeting room and program equipment rentals when meeting outside CMA, conference calls, telex, unusually large printing and mailings, etc., will be charged as miscellaneous administrative expenses to the program.

Other CMA professional staff time, if required to work on specific or non-routine aspects of the program, will be charged at the same rate as the program administrator. Interest received by CMA on non-disbursed Special Program funds will be credited to the CMA general fund to defray administrative costs not recovered by the daily established rate.

3.3.2 Panel research/advocacy budget

CMA will require written commitment for the full amount of a study budget from all participating companies before executing study contract(s). A separate account will be established to receive and disburse funds for each program.

As a matter of CMA fiscal policy, participating companies will be invoiced for a minimum of 50% of the projected fiscal year commitments. Initial invoicing will occur immediately after participating company management approval of the program activities. During the course of the program, additional collections will be made as necessary to maintain a reserve from which disbursements are made. Reserve shall be maintained as low as possible under financially sound management.

A new phase of a program will begin whenever there is a change in composition of sponsoring companies. At the completion of any phase of a program, uncommitted funds will be carried over to a subsequent phase. If a company voluntarily drops out of a program at the completion of all contracted work, a refund will be made if the pro-rated balance of uncommitted funds exceeds $2,500 for that company. A company which voluntarily drops out of a program during an ongoing study will be expected to provide its full financial commitment to the current study phase including any additions or extensions which were approved during the term of its participation.

A financial statement for each program, detailing both research/advocacy and administrative information, will be prepared periodically. A copy of the statement will be provided to panel members at their meetings to keep them informed of the financial status of the panel.

It is not possible to anticipate each and every element of financial exposure. However, it should be recognized as a matter of principle that the member companies represented on the panel will accept responsibility for any costs resulting from activities of the panel (e.g., litigation expenses).

3.4 Inactive Program

Any panel which has no ongoing research or advocacy program for two consecutive months will be considered inactive. Each inactive program panel will be charged a retainer fee equivalent to two days of administrative charges per month beginning with the third month.

3.5 Termination of a Program

The Board of Directors reserves the right to terminate any on-going program for just cause. At the time of termination of an on-going program, the Board will establish the procedure for termination.

* A program panel that votes to disband will be terminated. A panel with no outstanding studies for twelve consecutive months will be terminated upon SPAG recommendation. A program cannot be terminated until all applicable charges have been paid.

Upon termination of a program, no refunds will be made to participating companies unless the refund of unused funds to any one participant equals or exceeds $2,500. In such a case, a refund will be made to all participants of the last phase of the program in direct proportion to the contribution they made at the beginning of the last phase.

* To be rewritten to provide that all panels will be subject to an annual review by SPAG and approval of Executive Committee.

4.0 INFORMATION HANDLING

CMA, as a matter of policy, makes validated final results of research administered by it available to the public, including appropriate government agencies. Interim reports with significant findings, after proper validation, will be made available also.

The significance of the findings in interim reports will be determined by the panel in conjunction with the program administrator. Any disagreement will be brought to the attention of the CMA Technical Director and General Counsel through the Director of Special Programs. Any matter unresolved at these levels may be brought to the Executive Committee and the Board through the President without going through SPAG. The decision of the Board will be final and binding to the panel and CMA staff. It must be recognized that CMA may be obligated under Section 8(d) of the Toxic Substances Control Act to report pertinent information to EPA, but is not obligated to report under Section 8(e). Section 8(e) determinations are the responsibility of each individual or company, upon whom the statutory obligations rest.

A contractor's scientific conclusions and professional judgments will not be subject to CMA or panel approval. However, CMA and the panel will have the right to review such judgments and conclusions prior to their finalization for the purpose of suggesting clarifications, and format and editing comments, but not for the purpose of substituting CMA's opinion or that of the panel for the contractor's. CMA is obligated to supply such comments, if any, within 30 days of the receipt of the draft final report. If the program panel does not agree with the discussion and conclusions of the final report, it may include a rebuttal along with the final report before such report is released to the public.

Prior to final payment to a contractor, the panel must accept, through ballot if necessary, any final report and other services which were to be provided as fulfilling all contractual obligations. If a panel member does not return the ballot on the report within 30 days, the vote will be recorded as favoring acceptance.

Data generated by a contractor under CMA sponsorship are the property of CMA as agent for the panel. CMA will not take physical possession of the raw data for any research projects that it administers, but will contract for the storage of such data, if necessary.

Non-participating companies and the general public wishing to purchase a final report may do so at cost of reproduction, handling and mailing. CMA staff will use its discretion in providing free copies of such reports.

CMA encourages publication of the panels' research in peer review scientific journals. Manuscripts prepared by the contractor or panel or task group member for oral presentation or publication in scientific journals will be submitted to the program panel with adequate time for review prior to presentation or submission to a journal. Published reports should acknowledge CMA sponsorship and may include attribution to the contractor and individual contributors.

5.0 BIOMEDICAL AND ENVIRONMENTAL SPECIAL PROGRAMS ADVISORY GROUP CHARTER

5.1 PURPOSE

The Biomedical and Environmental Special Programs Advisory Group, hereafter referred to as SPAG, was authorized by the CMA Executive Committee in September, 1979. SPAG serves CMA's Biomedical and Environmental Special Programs Division, hereafter referred to as Special Programs, in an advisory capacity to ensure that all special programs are conducted in a manner consistent with CMA general policy and with the Special Programs Guidelines.

SPAG must recommend approval of the charter of any proposed special program before it can be considered for operation by CMA. Any subsequent request for amendments to a charter must be reviewed by SPAG before CMA approval. SPAG will review and make recomendation on all advocacy[1] programs on individual chemical(s) requested by a program panel. With both research and advocacy programs, SPAG will determine that appropriate conditions and criteria are met and that the necessary resources are committed. When appropriate, and at the request of the program panel or CMA staff, SPAG will provide general oversight and counsel on policy issues.

An ancillary function of SPAG is to provide CMA staff and special program panels with any new regulatory information that becomes available to them.

5.2 ORGANIZATION

CMA standing committee chairmen will approve appointment of their committee representatives to SPAG. The Director of Special Programs will be the CMA representative to SPAG. CMA's General Counsel, Technical Director, and a representative from the Chemical Industry Institute of Toxicology, will be nonvoting ex officio members. Standing committee

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[1]When referring to Special Programs, advocacy involves external communication not designed solely for information exchange that relates to existing or developing regulations, legislation or litigation.

representatives on SPAG should coordinate activities of Special Programs with their respective standing committees.

The maximum term of the Chairman and individual SPAG members will be three years. Representatives of CMA standing committees will be appointed annually by their committee chairman in consultation with CMA staff. One-third of the SPAG membership will be rotated annually. At the end of his/her term, the Chairman of SPAG will become a nonvoting ex officio member for one year. Membership in SPAG will be terminated if a member does not attend at least two-thirds of the total number of meetings during any twelve-month period.

A quorum will consist of a majority of SPAG members having full voting privileges. Each SPAG member has one vote and a decision shall be rendered by a majority vote of the total membership. In the event of a tie vote the Chairman's decision will be final. Voting by written proxy will be allowed.

* 5.3 MEMBERSHIP

SPAG will consist of 15 members, including the Chairman. The Chairman of SPAG will be appointed by the CMA President and the appointment will be confirmed by the CMA Executive Committee. Members of SPAG will be appointed by the President and will include at least one member from each of the following CMA committees:

- O Chemical Regulations Advisory Committee
- O Occupational Safety and Health Committee
- O Environmental Management Committee

Other members will be selected based on expertise in one or more of the following:

- O Special Program Operations
- O Business Management
- O Regulatory Agencies Activities
- O Specific Scientific Disciplines
- O Law

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* To be rewritten to provide that the members and chairmen will be recommended by the President and appointed by the Executive Committee.

5.4 REVIEWS

SPAG will review and prepare recommendations, if necessary, to revise Special Programs Guidelines to reflect changing requirements and new regulations at least once a year.

The procedure for approving and conducting both research and advocacy programs is outlined in Figure G-1.

SPAG will, at a minimum, review each special program once a year. This review will concentrate on scientific and/or policy issues, adequacy of professional and financial support from participating companies, availability of CMA resources, and a year-end report on the program's status. During these reviews, SPAG will act in an advisory, rather than a supervisory or management, capacity.

A special program panel, or any panel member, may request review of scientific and policy issues by SPAG and seek its advice and guidance. SPAG may hold special meetings to review any issue of grave concern. All reviews will be coordinated with the Program Administrator, Director of Special Programs and the Special Program Panel Chairman.

When SPAG makes a recommendation, it must be followed within such time as is designated by SPAG unless a reconsideration of the recommendation by SPAG has been requested by the panel within that period of time. If the program panel disagrees with SPAG's recommendations, the panel may petition CMA's Executive Committee or Board of Directors through the President.

SPAG's charter, activities, and operation will be submitted for review by the Executive Committee by May 31, 1981 and annually thereafter.

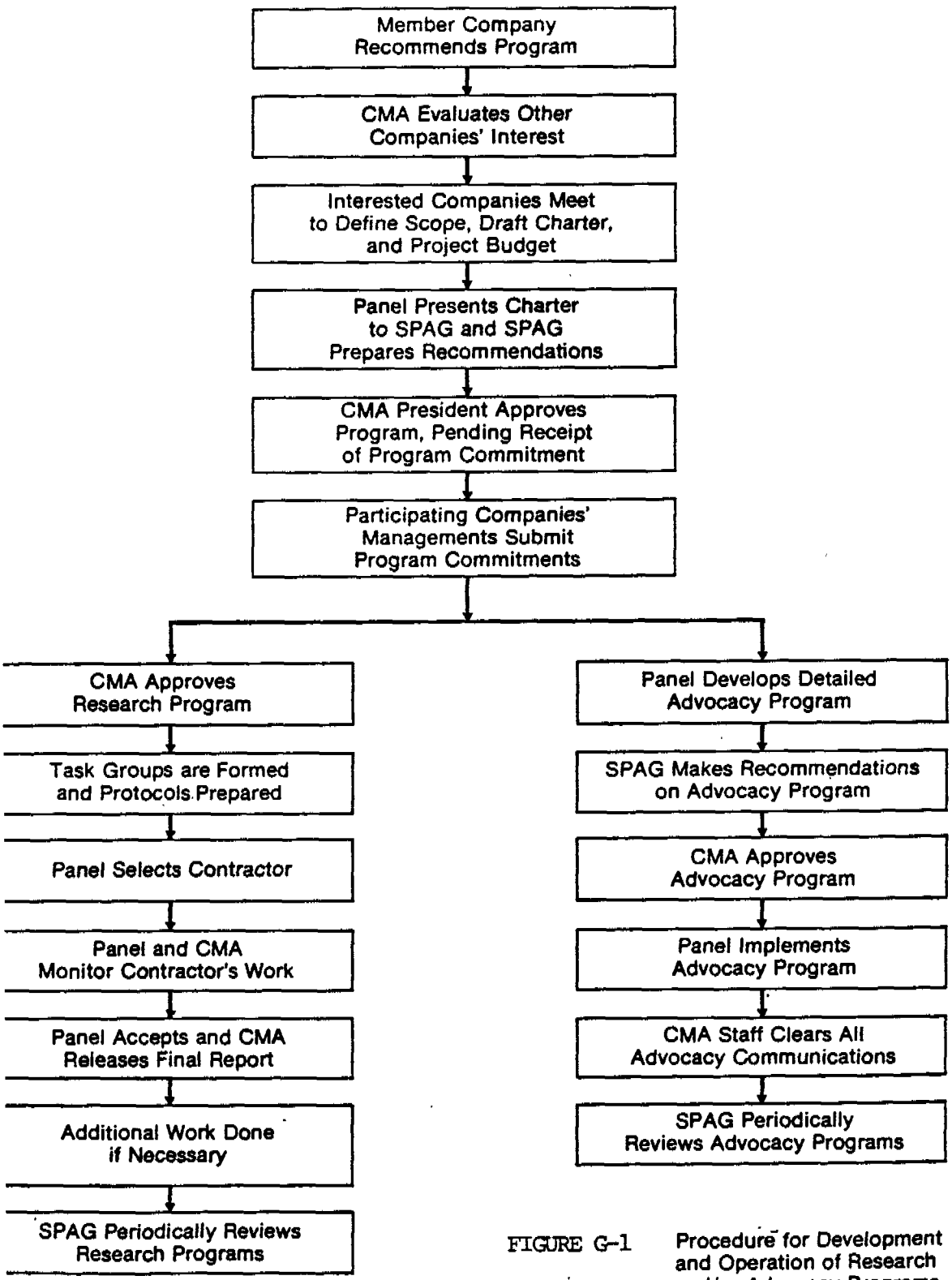

FIGURE G-1 Procedure for Development and Operation of Research and/or Advocacy Programs for a Chemical or a Group of Ch micals.

APPENDIX B

BIOMEDICAL AND ENVIRONMENTAL
SPECIAL PROGRAMS ADVISORY GROUP (SPAG)

PURPOSE: SPAG will serve the Biomedical and Environmental Special Programs Division in an advisory capacity to ensure that all special programs are conducted in a manner consistent with CMA general policy and with Special Programs Guidelines. SPAG will review and make recommendations on all advocacy programs on individual chemical(s) requested by a program panel.

TERM ENDING MAY 31, 1981

Frank A. Bower, Ph.D.	E. I. du Pont de Nemours & Company, Chestnut Run, Wilmington, DE 19898
Jackson B. Browning	Union Carbide Corporation, 270 Park Avenue, New York, NY 10017
Edward W. Callahan	Allied Chemical Company, Columbia Rd. & Park Avenue, Morristown, NJ 07960
Fred C. Dehn, Ph.D.	PPG Industries, Inc., One Gateway Center, Pittsburgh, PA 15222
Richard J. Kociba, D.V.M., Ph.D.	The Dow Chemical Company, 1803 Dow Center, Midland, MI 48640

TERM ENDING MAY 31, 1982

H. Donald Feeney	Borg-Warner Chemical Corp., International Center, Parkersburgh, WV 26101
G. J. Levinskas, Ph.D.	Monsanto Company, 800 North Lindbergh Blvd., St. Louis, MO 63166
Curtis W. Smith, Ph.D.	Shell Chemical Company, P. O. Box 2463, Houston, TX 77001
Otto Sturzenegger, Ph.D.	CIBA-GEIGY Corporation, Ardsley, NY 10502
Carl Umland	Exxon Chemical Company U.S.A., P. O. Box 3272, Houston, TX 77001

TERM ENDING MAY 31, 1983

William C. Becker	The BFGoodrich Company, 6100 Oak Tree Blvd., Cleveland, OH 44131
Calvin Benning, Ph.D.	Essex Chemical Corporation, 1461 Broad Street, Clifton, NJ 07015
Conrad Kent, Esquire	Stauffer Chemical Company, Westport, CN 06880
Myrl E. Miller, Ph.D.	IMC Chemical Group, 421 East Hawley Street, Mundelein, IL 60060
Gary Ter Haar, Ph.D.	Ethyl Corporation, 451 Florida Avenue, Baton Rouge, LA 70801

Exhibit E

SUPERFUND:

STATUS, OUTLOOK AND CMA PROGRAM

Congress recessed October 2 for the November elections leaving considerable legislative business unfinished, including Superfund. A "lame duck" session begins November 12, and although budget matters are considered the main reason Congress will return, we much anticipate that the proponents of Superfund will push hard for enactment of a law this year.

In late September the House of Representatives passed two Superfund bills by wide margins: H.R.85 and H.R.7020. The focus now moves to the Senate where S.1480 has been stalled most recently by parliamentary maneuvering by members wishing to attach their tax cut proposals to any tax bill. Since the Superfund proposals are now considered tax measures due to the mechanism for industry funding, they became a prime vehicle for the tax cut maneuvering.

The Administration, the media and many Congressmen will undoubtedly continue to approach the issues of oil spills, hazardous substances spills and dumpsites as a top priority. The media campaign aimed at attracting public attention to hazardous substances incidents has subsided but can be expected to intensify soon after the elections.

The chemical industry and the business community will face the principal challenge during the "lame duck" session in the Senate, where the onerous and precedent-setting provisions of S.1480 continue to threaten.

A more detailed status report follows.

HOUSE OF REPRESENTATIVES

The House has approved two superfund bills: one to clean up oil and hazardous substances spills, a second aimed at abandoned dumpsites. The two bills will establish three trust funds financed primarily by a tax on the oil and chemical industries.

The first bill to pass the House, H.R.85(Biaggi,D-NJ) had been reported by three House Committees: Merchant Marine; Public Works; Ways and Means. H.R.85 passed by a vote of 288-11 on September 19. It will set up two $375 million trust funds for five years, financed entirely by taxes on the oil and chemical industries. The bill deals with oil and hazardous substances spilled into navigable waters, and with in-place pollutants. The chemical industry supported passage of H.R.85 in the House after Rep. John B. Breaux, (D-LA) agreed to offer an amendment (adopted) to limit a company's liability for a spill. Under the amendment EPA must determine that a spill of a designated hazardous substance involved a harmful quantity before a company could be held responsible for cleanup costs and economic damages. CMA considered this an absolutely essential amendment since it preserves the essence of an earlier compromise reached in connection with amendments to the Clean Water Act passed in 1978.

The second Superfund bill, H.R.7020 (Florio,D-NJ), passed the House by 351-23 on September 23. H.R.7020 will establish a $1.2 billion trust fund for five years, to enable EPA to act on an emergency basis to clean up, each year, the 100 most dangerous abandoned dumpsites. Recovery of the cleanup costs would come from the responsible companies. The bill had been reported by two committees: Commerce, and Ways and Means. It requires the oil and chemical industries to pay three-quarters of the trust fund by means of a tax on oil and petrochemical feedstocks.

H.R.7020 will give EPA new emergency powers to take whatever remedial actions are deemed necessary to relocate, contain or clean up releases or "threatened" releases of hazardous substances from abandoned hazardous chemical dumps. It also would allow EPA to sue in federal court for recovery of cleanup costs from any company that "caused or contributed" to the release.

The chief threat on the House floor came from Rep. Albert Gore, Jr., (D-TN). He had prepared three liability amendments for introduction, the most damaging of which would have established liability for third party damages.

CMA considered the third party damages amendment as totally unacceptable. A compromise was eventually struck which resulted in a withholding of that amendment. The other Gore amendments were somewhat modified and adopted by the House.

Together, H.R.85 and H.R.7020 will provide $1.95 billion to clean up oil and hazardous substances contamination, $350 million more than requested in the Administration's original proposal.

SENATE

The Senate has at least partially resolved the jurisdictional questions raised with respect to S.1480 by referring the bill to the Finance Committee until November 21. The Finance Committee held two days of hearings on the bill September 11 and 12.

Dr. Louis Fernandez, Vice Chairman, the Monsanto Company, testified September 11 on behalf of CMA. Our testimony reemphasized that CMA has strongly supported legislation to address the problems caused by abandoned hazardous waste sites, and our belief that such legislation should include a federal response fund. That fund would permit necessary cleanup and containment activities at sites which present an imminent threat to public health or the environment and where no other party is taking responsible action. While still opposed in principle to industry funding, CMA expressed the belief that the most appropriate means of delivering the industry portion of Superfund costs would be through a tax placed on hazardous waste.

Dr. Fernandez firmly expressed chemical industry opposition to S.1480.

The Senate Commerce Committee, which had requested jurisdiction over insurance and transportation aspects of S.1480, also held hearings September 11 and 12. CMA was represented September 12 by Jackson Browning, Director of Health, Safety, and Environmental Affairs, Union Carbide Corporation. Mr. Browning addressed S.1480 in terms of its disruption of the Hazardous Materials Transportation Act, the rail deregulation bill and the insurability of risks.

The Commerce Committee has not been granted jurisdiction over S.1480, but Chairman Howard Cannon (D-NV) has submitted a number of amendments in preparation for floor consideration. Several other Senators, including Randolph (D-W.VA), Helms (R-NC) and Schmidt (D-NM), have amendments pending.

CMA's program of communication in the Senate includes contacts with relevant Senators, the leadership and interaction with the business community.

THE ADMINISTRATION

The administration continues to place a high priority on passage of Superfund legislation this year.

In an effort to break the deadlock in the Senate over S.1480

the Administration has initiated a series of discussions with EPA, key Senate staffers and industry. To date, the discussions and informal drafts have centered around the S.1480 concepts and have yielded little progress. The Administration is hoping a compromise can produce a substitute for S.1480, and thus add new legislative momentum.

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AS OF OCTOBER 1, 1980	S.1480	H.R. 7020	H.R. 85--Title III (Hazardous Substance Spills)
FUND SIZE	$4.085 billion over six years	$1.2 billion over four years	$75 million per year (for five years)
FUND SOURCE	$510 million Federal appropriations, $3.575 billion industry fees (front-end approach: 65 percent primary petrochemicals, 20 percent inorganic raw materials, 15 percent crude oil)	$300 million Federal appropriations, $900 million industry fees (front-end approach: excise tax on specified petrochemical feedstocks, inorganic substances and crude oil)	All industry fees (excise tax on specified petrochemical feedstocks and inorganic substances)
LIMITATIONS ON ANY FEE	No link between fees and Federal appropriations	Spending from Fund limited to 10 times the general revenue appropriated for that year	No link between fees and Federal appropriations
SCOPE	Any release or substantial threat of such release into the environment (However, recovery for Federally permitted releases shall be pursuant to existing law)	Release or substantial threat of a release from an inactive hazardous waste site; conditions similar to but not immediately identifiable as a release of hazardous waste from an inactive hazardous waste site	Discharge or a substantial threat of such discharge of a hazardous substance into navigable waters
SUBSTANCES ADDRESSED	Any hazardous substance (which is very broadly defined). Also any pollutant or contaminant which may present an imminent or substantial danger	Hazardous waste (RCRA 3001)	Substances designated under Section 311 of the Clean Water Act
INTERIM PERMITTED SITES	Covered	Excluded from general coverage but Administrator authorized to take emergency response actions at such sites where there is an imminent and substantial endangerment	Covered for liability purposes if leaching designated hazardous substances in harmful quantities into navigable waters

	S.1480	H.R. 7020	H.R. 85--Title III (Hazardous Substance Spills)
LIABILITY	Strict, joint and several (where person can apportion and show his contribution was not a significant factor, liability shall be limited to that portion)	Strict, joint and several (with apportionment where defendant establishes that only a portion of damages are attributable to his waste).	Strict, joint and several for owner or operator
CAUSATION	Could be looser than common law causation (damages "resulting from"). Also a modified showing of causation for proof of medical expenses (presumption of cause)	Any person who "caused or contributed to" a release or threatened release is liable (According to the Committee report, "The Committee intends that the usual common law principles of causation, including those of proximate causation, should govern the determination of whether a defendant "caused or contributed" to a release or threatened release.")	Common law principles of causation are maintained
DEFENSES	Caused solely by an act or God or an act of war	Caused solely by an act of God, act of war, negligence on the part of the United States Government, an act or omission of a third party (other than an employee or agent or a person in contractual relationship with defendant) if defendant establishes he exercised due care, or any combination of the foregoing	To extent caused by a natural phenomenon, an act of war, an act or omission of an independent third party or negligence of the claimant
DAMAGES, COSTS, LOSSES	Removal, containment and emergency response; all damages for loss due to personal injury or loss of natural resources, including injury to or loss of use of real or personal property or of natural resources, all out of pocket medical expenses, and lost tax revenues	Removal, containment and emergency assistance	Removal costs, injury to or destruction of real or personal property, injury to or destruction of natural resources, loss of profits or impairment of earning capacity due to injury or destruction of natural resources if 25 percent of income derived from utilization of such resources

	S.1480	H.R. 7020	H.R. 85--Title III (Hazardous Substance Spills)
FEDERAL CAUSE OF ACTION FOR PRIVATE DAMAGES	YES	NO	YES
ADMINISTRATOR'S DISCRETION	Whenever there is a release or a substantial threat of a release of a hazardous substance into the environment, or a release or substantial threat of a release into the environment of any pollutant or contaminant which may present an imminent or substantial danger, the President is authorized to remove or contain the hazardous substance, pollutant or contaminant or take any other emergency response measure he judges necessary.	Upon receipt of evidence that a release or substantial threat of a release from an inactive site presents or may present an imminent and substantial endangerment, the Administrator may take emergency response action; Whenever the Administrator determines that an inactive site (on the top priority site list) presents or may present an unreasonable risk of harm, he may, after notice and opportunity for comment, take necessary remedial action or by order require any responsible party (owner, operator, generator or disposer) to take such action.	
PREEMPTION	NO	NO	YES
SUNSET PROVISION	Authority to establish and collect fees and obligate funds expires October 1, 1986.	Unless reauthorized, authority of Administrator would terminate five years after enactment The excise taxes and the trust fund would be effective as of October 1, 1980, and would terminate after September 30, 1985.	The excise taxes and the trust funds would be effective as of October 1, 1980, and would terminate after September 30, 1985.

Exhibit F

PUBLIC RISK ANALYSIS SPECIAL COMMITTEE

Objective To follow and impact the development of risk analysis as a regulatory decision-making tool.

Purpose The Special Committee will evolve chemical industry positions on the value, limitations and practice of risk analysis.

Background The Executive Committee approved the formation of the Special Committee on September 8. A list of nominees for membership on that committee is attached. This group represents the varied disciplines, CMA committees and other associations felt necessary for the successful operation of the Special Committee.

Action Required Confirm members nominated to the Committee.

CMA
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PUBLIC RISK ANALYSIS SPECIAL COMMITTEE

The terms "hazard", "risk", "benefit", and "cost" are frequently used by legislative and regulatory bodies, the media, industry and others. These terms have gained broad acceptance and have acquired momentum towards incorporation into policy considerations, but without common understanding or agreement on definitions, complexities, practical application or even appropriateness of application. Unreasonable or unnecessary standards resulting from any misunderstanding or erroneous application of these terms could result in damage or excess costs to the chemical industry and society alike.

The chemical industry has advocated risk analysis as the most logical decision-making tool for managing chronic health risks. The industry accepts that the practical application of risk/benefit analysis is a controversial, emotional, political and economic question. Recognizing these difficulties as well as the broadness of the question, some of the tasks of the CMA Special Committee are:

(1) to examine whether "hazard", "risk", "benefit", and "cost" can be acceptably defined and applied within a context of national policy development for managing chronic health risks;

(2) to examine whether acceptable definitions, standards, guidelines and applications can induce acceptable legislative change;

(3) to establish liaison and to promote the exchange of information on risk/benefit analysis with other CMA Committees and Task Groups; with the industrial and academic community; with regulatory and legislative bodies; with labor unions; and with other interested parties;

(4) to examine whether the chemical industry can and should advocate a risk/benefit framework for appropriate risk management in light of the above.

A sound, integrated national policy for dealing with any health and safety issues should incorporate two basic concepts:

(1) Policy decisions should be based upon sound science that reflects all available scientific data.

(2) Policy decisions should reflect a reasonable, socially and politically acceptable, and rational balancing of risks, benefits, costs, social and economic issues, and the abstract but important issue of assuring personal freedom of choice.

Thus, the goal of the Special Committee on Public Risk Analysis is to evolve a chemical industry position on the value, limitations and practice of risk analysis.

PUBLIC RISK ANALYSIS SPECIAL COMMITTEE

Nominees for Membership

Chairman: Dr. Konrad M. Weis, Mobay Chemical Corporation

Ms. Leslye A. Arsht, Cabot Corporation

Mr. Gerald A. Hapka, E.I. du Pont de Nemours & Company

Mr. Martin G. Kemplin, American Cyanamid Company

Mr. George S. Dominguez, CIBA-GEIGY Corporation

Dr. Pete Ifland, The Procter and Gamble Company

Mr. Thomas V. Malorzo, Diamond Shamrock Corporation

Mr. William C. McCormick, 3M Company

Ms. Annette Mulee, Conoco Inc.

Mr. Richard M. Patterson, Dow Chemical USA

Mr. Thomas H. Rhodes, Exxon Chemical Americas

Dr. William R. Richard, Monsanto Company

Mr. Robert Shaw, Stauffer Chemical Company

Dr. John R. Wheeler, Standard Oil Company

Mr. Rene D. Zentner, Shell Oil Company

Exhibit G

Remarks of Dr. Weis

CMA Executive Committee

October 27, 1980

Before the last Executive Committee meeting, I was asked to chair our new Special Committee on Public Risk Analysis.

Having reviewed the Steering Group's Report and looked at the subject a bit myself, I must confess that the more I think about public risk analysis and all its ramifications, the more diffuse, complicated and controversial the subject appears to me.

There is no doubt that, as the Steering Group put it, "Risk/Benefit/Cost activities are on an exponential growth curve."

Trade organizations, universities, government and individuals are accelerating their activities in public risk analysis. At the industry level, in addition to the CMA, the National Association of Manufacturers, the AIHC, the American Petroleum Institute, the Business Round Table, and the International Chamber of Commerce are all working on aspects of risk analysis.

The essential problem remains, however, that debate on risk/benefit/cost analysis often approaches the subject from very different perspectives, disciplines, and value systems. One may emphasize problems of uncertainty, another will focus on analytical bias, a third will voice political concerns, and a fourth will describe ethical dilemmas inherent in the approach. This certainly reflects, as a recent Harvard University Report puts it, that "the state of the art in risk assessment is still primitive."

But public risk analysis is gathering momentum as the means through which health related risks may well be managed and regulated in the chemical and other industries. It is undergoing close scrutiny in all sectors of our society, and we better be involved.

In what way should we participate? This is not an easy question to answer. The Harvard School of Public Health is preparing a comprehensive new program in Environmental Health Policy (not published yet) in which the question of public risk analysis forms the core of its interdisciplinary program -- and that makes it so interesting -- a program paralleling the mandate of our Special Committee in many ways. The program will bring together faculty from toxicology, physiology, environmental engineering, epidemiology, economics, statistics, political science, and the behavioral sciences. They are planning to conduct policy research in three main areas:

(a) the development of a data base for chronic health decision making (i.e. issues regarding the selection of chemicals for toxicological testing, testing procedures, priorities for the collection of data on human exposure, and the question of research planning and allocation).

(b) the issues in regulatory decision making based on the available data base. These include methods of risk assessment and risk/cost/benefit analysis. They also include criteria for setting standards and understanding public perception of risk.

(c) the issues concerning implementation of decisions regarding chronic health management (such as institutional design, choice of optimal modalities for reducing exposure, and incentives for cooperation from affected parties).

What impresses me about the Harvard proposal -- and I realize that this is only one of the many current academic undertakings in risk analysis -- is the comprehensiveness of its scope and the basic questions it asks. I quote:

"The first research area needing exploration is, we believe, the question of how to design institutions for environmental decision making in ways that increase the possibility of conflict resolution. To what extent can the reorganization of executive agencies and/or legislative processes

fulfill this goal? Does the traditional answer of a "special court" in the form of an independent regulatory commission have any applicability and, if so, when and where? Is there any role for the courts in this process? Have they (the courts) overstepped their appropriate role in recent environmental decisions . . .," and so on.

Let me quote in this respect the Chief Judge of the U. S. Court of Customs and Patent Appeals, Paul Markey: "I am not sure that federal judges, immune from the political process, should ever be involved, in any circumstances, as arbiters of the degree of risk acceptable to the public."

Clearly, Harvard proposes to address many of the fundamental questions underlying any examination of public risk analysis, and it presents a good example for us. However, since such a program can go in many directions, I must ask: should CMA participate directly in the Harvard and other similar proposals, and what can we expect if we don't? Could such investigations go out of control without our involvement, and how will their findings directly effect the regulatory process and the environment in which we are all addressing the question?

My response to these points: I think we should certainly talk to the Harvard people, and if it looks promising, then I will probably come back to you with a proposal that we cooperate or participate with them. This should be one of the first issues addressed by us, as well as looking at other proposals.

The Special Committee can move, as can the "Harvard" program, in many directions. In fact, there are presently many more questions than answers. The broad scope, potential controversy, and impact on our industry of public risk analysis means that we will need frequently your active advice and consent in the affairs of the Special Committee.

The Special Committee will also require considerable outside consulting expertise. For example, consideration of risk will certainly need expert opinion from the insurance perspective.

Clearly, one of the major tasks of the Special Committee will be simply to stay abreast of developments in public risk analysis, and to decide where to participate.

Furthermore, the risk/benefit analysis approach has in many ways already become a part of CMA's activities.

CMA Committees and Task Groups -- such as the TSCA Oversight Group, the Governmental Relations Committee; and the Water Policy Task Group -- are presently working in the area of risk/benefit/cost through their various activities, but these efforts should be coordinated and focused by the Special Committee.

As to the other tasks of the Special Committee, I want to refer you to the statement in your workbooks.

For such an undertaking, we will require an interdisciplinary group of hard-working committee members, and we believe we have identified such a group. The nominees for membership are listed under tab 5 of your workbooks. Mr. Chairman, I would appreciate Executive Committee confirmation of those nominees.

We have scheduled the first meeting of the Special Committee on Public Risk Analysis for November 10. After the first meeting I will have a first idea of the budget which the Special Committee will need. I also look forward to proposing a charter and task groups as necessary to you at our next meeting.

CMA
EC-9/27/80

Exhibit H

HAZARDOUS WASTE RESPONSE CENTER UPDATE

At its September 8, 1980, meeting, CMA's Executive Committee approved a limited, full program for the Hazardous Waste Response Center (HWRC). The Executive Committee asked the task group to establish new operating guidelines for their activities. In brief, the guidelines for task group operation are:

- operate within the same manpower level as last year;
- work with the EPA in approaching and establishing priorities for their site management program;
- develop general protocols for site management that member companies can use;
- provide site management training for member company personnel, particularly smaller companies; and
- sampling and testing should not be part of the program at CMA survey sites except for the health protection of CMA site workers.

The HWRC task group is presently re-organizing to accommodate the new guidelines. Our initial efforts will concentrate on two projects. First, the group will develop a site management flow chart and make it available to member companies. Based on the task group's accumulated experiences at Lipari, Motco, and Tate Cove, this document will present the steps in checklist form which we feel are appropriate for managing a presently inactive hazardous waste site.

Second, the group will develop protocols for specific steps required by the site management document. An initial meeting with EPA explored which protocols would be of interest to both groups. During this meeting, we developed several interest areas for task group consideration. These are listed below:

1. Sampling and Monitoring

- Drum consolidation -- present practice requires that each drum at a site should be sampled and analyzed. This is very expensice since each analysis can cost from $500 to $1000. Analysis costs could be reduced considerably if several or many drums could be consolidated and the resulting pool sampled and analyzed. A drum consolidation protocol would specify the nature of and how to gather information necessary to allow safe consolidation of drummed material for analysis.
- Analytical Methods for Concentrated Mixtures -- EPA analytical methods development is geared toward trace chemicals in aqueous solutions. They do not have adequate analytical procedures for preparation and analysis of highly concentrated mixtures which are usually found on waste disposal sites. In particular, there is a need for analytical methods which are fast and can be used in the field.

- Sampling from Drums -- there are no economical and safe techniques for obtaining a representative sample of the contents of a closed drum. These need to be developed.
- A groundwater monitoring protocol needs development as well.

2. Personnel Safety

To protect on-site investigators and workers, the EPA presently requires fully enclosed chemical suits and self-contained air under most situations. We are concerned that decreased maneuverability, impaired vision, poor communication, and limited time for work may pose a greater threat to worker safety than the threat from possible chemical exposure. The HWRC task group should help EPA to develop guidelines for worker protection which balance these two threats.

3. Management Techniques

At issue in this area is simply "How does one manage activities at a waste site?" EPA realizes that industrial management techniques are forced to be efficient by marketplace competition; whereas, government management techniques have no such forcing mechanism. HWRC task group might critique EPA's site management techniques on some specific sites and help to develop some general guidelines for both EPA and member company use.

4. Training

EPA is very interested in CMA assisting them to develop and evaluate curricula for training on-site investigators and workers.

The task group feels that the drum consolidation protocol merits initial attention. It has the potential for savings of superfund dollars and also individual member company dollars when they are faced with drums on their own sites or with requests from state/federal agencies to reclaim their drums from abandoned waste sites. Thus, our first protocol project will be a drum consolidation protocol.

The task group does not presently plan to continue site investigations as they were done last year. We expect this year's site studies will be undertaken in response to the need to field test any protocols which have been developed.

Action Required: none. information only

CMA
EC-10/27/80
BD-10/28/80

Exhibit I

EMC Recommended Policy on Groundwater

Background on the Issue

EPA formed a Groundwater Policy Committee in October of 1979. Their objectives were to develop a protection strategy, clarify their involvement, achieve national recognition of groundwater problems and develop a short and long term action plan. EPA briefed industry in February, 1980 and held workshops for public participation in June of 1980. They planned to publish a national groundwater policy in the Federal Register in September and hold public hearings in October and November of 1980. Policy was delayed and is not scheduled to appear in Federal Register until January of 1981. The public hearings have been cancelled indefinitely.

In April, 1980 CMA formed a Groundwater Management Task Group under the direction of the Environemental Management Committee. The initial Cma position on groundwater was approved by the EMC in May. The task group's goal was to respond to EPA groundwater strategy and to recommend a CMA policy on groundwater. Using EPA's unpublished framework the task group developed a recommended policy, however, it was not restricted to EPA's options. The EMC unanimously approved the Policy on October 15, 1980.

Basic Assumptions

Groundwater is a valuable natural resource defined by the National Water Well Association as "the saturated zone of a permeable geological formation, which contributes significantly to wells and springs".

In some cases, societal use of groundwater has impacted the quality and quantity of existing resources. Contaminated groundwater can have a serious adverse effect on human health and can damage the environment. Proper management of groundwater is required to protect the resource. A national groundwater policy is needed to encourage and support a scientifically well-balanced management strategy which will protect human health and the environment and responsibly maintain the multiple uses of the resource for diverse societal interests. Because of the differences in quality and quantity of groundwater resources in this country, a practical approach to a groundwater management strategy would be the development of individual state programs.

CMA Policy Considerations

- o All segments of society have contributed to groundwater contamination.
- o Existing groundwater varies in quantity and quality.
- o Remedial in-situ treatment of contaminated groundwater is dependent on technology and the costs involved.
- o Some contaminated groundwater supplies may present serious threats to human health or the environment.
- o Maintaining multiple uses of groundwater is essential.
- o Existing state law on groundwater and state expertise in groundwater management should not be discounted.

THE POLICY

Goal

- o The protection of human health and the environment while responsibly maintaining multiple uses of groundwater.

Management Approach

- o The Federal Government should identify use classes for groundwater and develop a data base on groundwater contamination and sources of groundwater pollution.
- o The States should use the data base to assign and classify groundwater when a need for the resource is identified, either present or projected.

Technical Approach

- o No single technique of groundwater management is appropriate in all cases.
- o The States should assign a variety of protection mechanisms to groundwater supplies so that the intended or actual use of the resource is not impaired.

Federal/State Role

- o States' rights to manage groundwater under existing authority must be protected and supported.
- o The Federal Government should only provide technical and financial assistance sufficient for the states to carry out their management program.

Action Required: Approval of above outlined policy

CMA
EC - 10/27/80
BD - 10/28/80

Exhibit 7

ENVIRONMENTAL PROTECTION AGENCY
"PROCESSOR" DEFINITION UNDER TSCA

BACKGROUND: The Chemical Regulations Advisory Committee (CRAC) has considered the proper interpretation of the term "processor," as the term is used in the Toxic Substances Control Act (TSCA). The term is used by the Environmental Protection Agency (EPA) in regulations promulgated under the provisions of Section 4 of TSCA (testing of existing chemicals), under Section 5 of TSCA (Premanufacture Notification and Significant New Uses), and under Section 8 of TSCA (Reporting and Recordkeeping).

CMA member company representatives serving on CRAC and its task groups have not been able to define "processor" in a manner that is both widely acceptable to CMA member companies and has universal application throughout TSCA. One body of opinion holds that the term "processor" includes both chemical formulators and chemical converters. The second view holds that "processor" includes only formulators. Chemical formulators employ a chemical in the preparation of a product that involves no change in chemical composition. Chemical converters employ a chemical in the preparation of a product that involves a chemical reaction and thereby, such companies change the chemical composition of substances used in the preparation.

There is broad (although not unanimous) agreement that "processor" includes formulators. There is total disagreement as to whether "processor" includes chemical converters. Substantial debate over this latter issue has been held within the various task groups and in joint sessions involving members of all the relevant task groups. No workable consensus on an acceptable interpretation has been reached.

FINDINGS: Faced with a need to develop CMA positions on a number of current rulemaking proposals, CRAC reviewed the issue carefully and reached the following conclusions:

- The respective company interests of those holding opposing views do not permit formation of a consensus.

- The definition of "processor" is not an issue for purposes of Section 8(b) inventory considerations.

- For Section 4 sharing and reimbursement of testing costs, a circumventing consensus was reached that established CMA's position that primary responsibility for testing lies with the "manufacturer," and that both processors and users of the chemicals should be exempted from direct responsibility for testing. The position would permit, on a voluntary basis, the participation of processors and users in testing. (TSCA provides authority to include all segments of the industry, but even EPA recognizes the impracticality of this.)

- For Section 8(a) and (d) reporting, there has been no agreement on how to resolve the different interpretations. Adoption of the restrictive interpretation of the term "processor," while in apparent agreement with the literal statutory definition, would exclude member companies' chemical conversion operations from reporting requirements under Section 8. Many members of the task groups believe that it is impossible to rationalize or to justify a position that would exclude chemical converters from coverage by the proposed Section 8 rules.

RECOMMENDATIONS:

- CMA will remain mute on the issue of processor definition in its comments on EPA rulemaking. This, of course, has the effect of accepting the broader EPA definition, but does so with minimal prejudice to the options

of member companies to comment to the contrary in their individual statements to the Agency, if they so choose.

- CMA and CRAC should alert its member companies to this decision as soon as possible to permit all individual companies to freely comment as they wish on the definition of processor.

ACTION REQUIRED: None - For Information Only

CMA
EC - 10/27/80

Exhibit K

Debate has been taking place in Washington throughout this year on proposed legislation to create a government-run "superfund" to pay for cleaning up hazardous waste-disposal sites across the country. The Administration has urged that billions of dollars be spent for this purpose — without first developing reliable information on the nature and scope of the problem.

The chemical industry has directly supported governmental action, but at far less cost and limited to dealing with "orphan" or abandoned dump sites — the one problem area not covered by existing government programs. And industry has consistently urged that legislative and regulatory responses to problems of this kind be based upon sound technical and scientific data.

Nowhere has this information gap between problem and proposed solution been more starkly revealed than in the Environmental Protection Agency's approach to the tragedy of Love Canal, as noted in the following editorial that appeared in The New York Times of October 17, 1980.

Those Disastrous Studies at Love Canal

The latest critique of all the investigations into people's health at Love Canal is the most damning yet. A committee of scientists appointed by Governor Carey now concludes that bungling by public and private investigators "fueled rather than resolved public anxiety." It still isn't clear, after two years of intense study, whether people were physically harmed by the poisons seeping out of the area's abandoned chemical dump. But the damage to the residents' peace of mind, and trust in government, is unmistakable. What accounts for such a fiasco? How can another be avoided?

A panel chaired by Dr. Lewis Thomas of the Sloan-Kettering Cancer Center has found an astonishing amount of scientific and managerial incompetence in several key studies of the affair. It confirmed that a study of alleged chromosome damage by Biogenics Corp. was so poorly designed that it should never have been undertaken — and that the Federal Environmental Protection Agency was to blame because it failed to recruit qualified scientists to review the work. The panel also criticized Dr. Beverly Paigen, a consultant to Love Canal's homeowners, saying that her claim to have found evidence of bodily harm "cannot be taken seriously" and has "the impact of polemic."

Dr. Thomas's panel has harsh words, too, for the New York State Health Department. It is rightly accused of arousing hysterical fears two years ago with a brochure that described Love Canal as an "environmental nightmare" threatening "profound and devastating effects." That irresponsible rhetoric was apparently designed to obtain Federal disaster aid. By inflaming the community, it made objective scientific studies extremely difficult.

In addition, it is now plain that state and Federal officials failed to communicate and cooperate as public agencies should. New York's Health Department, for instance, asked for Federal funds for chromosome studies but was turned down by the Environmental Protection Agency. Yet that agency then proceeded to sponsor its own — now discredited — chromosome study, without even consulting the state. There is no excuse for that kind of incoherence in responding to a public emergency.

Fed up with E.P.A.'s mismanagement, the Thomas panel recommends that the Federal Center for Disease Control or the National Institute of Environmental Health Sciences take charge of such studies. The proposal has merit; both agencies have solid scientific reputations. But no agency is immune from error. The only way to prevent similar fiascoes is to require that scientific investigations affecting public sensitivities be thoroughly evaluated by neutral experts before they can influence major decisions affecting public health. The failures at Love Canal have so tortured the residents there that they plainly qualified for special help, whether or not any chemical actually hurt them.

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