March 8, 1962

CHEMICAL MANUFACTURERS ASSOCIATION

EXECUTIVE COMMITTEE
9:00 a.m., Tuesday, March 3, 1992
Board Conference Room, CMA Offices
Washington, D.C.

AGENDA

			TAB
9:00 a.m.	1.	Call to Order and Approval of Minutes of January 13, 1992 Meeting -- Frank P. Popoff, Chairman	1
	2.	Board Committees	
9:00-9:05		a. Membership Committee: Proposed New Member Company -- Vincent A. Calarco, Chairman	2
9:05-9:25		b. Public Outreach Program -- E.P. "Doc" Blanchard, Jr., Chairman, Public Perception Committee	3
9:25-10:10		c. Finance Committee: Proposed 1992/93 Association Budget -- Earnest W. Deavenport, Jr., Chairman	Separate Document
	3.	Proposed Policy	
10:10-10:30		a. MSDS Public Access Policy and Fulfillment Program -- S.A. "Tony" Mortimer, Union Carbide Corporation; Chairman, HSC Product Stewardship Task Force	4
10:30-11:30	4.	Responsible Care® -- Charles A. Aldag, Chairman, Responsible Care® Coordinating Group	
		a. Product Stewardship Code -- Glenn Weckerlin, Chevron Chemical Company; Chairman, Code Drafting Group	5
		b. Partnership Program Status -- Mr. Aldag	6
		c. Responsible Care® and Advocacy -- Robert A. Roland	
		d. Implementation Report and Preliminary "Credibility" Framework Recommendations -- Mr. Aldag	7
11:30-11:50	5.	New Business	

11:50-12:00 6. Association Activities

a. Treasurer's Report -- Gary C. Herrman 8

b. Secretary's Report -- Charles W. Van Vlack
- o Committee Appointments 9
- o Proposed 1992/93 Executive Committee and Board Meeting Schedule 10

c. President's Report -- Robert A. Roland

12:00 Noon 7. Adjourn to the Chemical Forum at the Mayflower Hotel. (Transportation will be Provided)

GUEST SPEAKER:

The Honorable Robert H. Michel (R-18th-IL)
Minority Leader of the House of Representatives

CHEMICAL MANUFACTURERS ASSOCIATION

EXECUTIVE COMMITTEE MEETING
Tuesday, March 3, 1992
CMA Offices, Washington, D.C.

Minutes of Meeting

1. The meeting was called to order at 9:00 a.m. by Chairman Popoff. There were present:

Members:	Frank P. Popoff, Chairman	J. Roger Hirl
	Elwood P. Blanchard, Jr.	John W. Johnstone, Jr.
	J.A. "Fred" Brothers	Robert D. Kennedy
	Vincent A. Calarco	John E. Peppercorn
	Earnest W. Deavenport, Jr.	Robert A. Roland
	Ernest W. Drew	M. Whitson Sadler
	Earle H. Harbison, Jr.	J. Lawrence Wilson
	Peter R. Heinze	
Secretary:	Charles W. Van Vlack	
Treasurer:	Gary C. Herrman	
General Counsel:	David F. Zoll	

By Invitation:
*Charles A. Aldag, Sherex Chemical Company, Inc./CMA
R. M. Julie Archuleta, Occidental Chemical Corporation
Robert D. Bradford, Olin Corporation
Kenneth E. Davis, Rohm and Haas Company
J. Brian Ferguson, Eastman Chemical Company
Clyde H. Greenert, Union Carbide Corporation
E. Judy Lambeth, E.I. du Pont
Jon C. Holtzman, CMA
James D. McIntire, CMA
*S.A. "Tony" Mortimer, Union Carbide Corporation
Morton L. Mullins, CMA
Michael A. Pierle, Monsanto Company
William M. Stover, CMA
Gordon D. Strickland, CMA
Donald J. Verrico, E.I. du Pont de Nemours & Company
*Glenn R. Weckerlin, Chevron Chemical Company
Ben Woodhouse, The Dow Chemical Company

* Part time only

2. Minutes of Last Meeting. The minutes of the January 13, 1992, meeting were approved as distributed.

3. Proposed 1992/93 Budget, Fee and Assessment Schedule and Amendment to Definition of Chemical Sales. Mr. Deavenport presented the Finance Committee's recommendations for the Association's 1992/93 budget and fee schedule which had been approved by the committee the previous day and was recommended for Executive Committee

and Board approval. He highlighted key elements of the Finance Committee meeting and preliminary budget which included:

- Addition errors necessitated changes in the 1991/92 projected results and the 1992/93 preliminary budget.

- Presentations to the Finance Committee the previous day indicated the 1992/93 preliminary budget reflected a tightly managed process with total expenses virtually flat as compared to 1991/92 projected results.

- Staff and committee priorities had been adjusted to live within the projected 3% decrease in member fees caused by the decrease in member company chemical sales.

Mr. Deavenport then recommended approval of the proposed 1992/93 expense budget of $34,295,200, with funding to be provided by the fee schedule unchanged from the current year, with a mandatory Responsible Care® public outreach assessment of .0131% of chemical sales and with the use of $367,200 of the reserves (as summarized on Exhibit A). Mr. Deavenport also recommended approval of the change in the definition of Chemical Sales (also set forth in Exhibit A) which would eliminate exclusion No. 5 relating to carbon, bone, and lamp black as suggested by CMA's Membership Committee. The proposed use of the reserves would still leave the Association with projected reserves of $7,096,600 which would keep them within the reserve guidelines at a level of 26.7% of general operating expenses.

The proposed budget (including the correction of the addition errors), fee schedule and assessment, use of reserves, and changes in the Definition of Chemical Sales (as summarized in Exhibit A) were approved and recommended for Board concurrence. It was noted that with the backlog of approved programs which are not currently funded, additional revenue probably will be necessary in the 1993/94 budget.

4. Membership Committee. Mr. Sadler reported that the Membership Committee had reviewed the qualifications of Tetra Technologies, Inc. and recommended their election to membership. The application was approved.

5. Public Outreach Program. Dr. Blanchard led a presentation on the public outreach program which included information on: activist attacks on Responsible Care®; activist and CMA "testing" of the 800 number; more promising results from the latest analysis of the advertising trend data; and plans for a CMA press conference announcing the results of the membership's pollution reduction efforts over the past four years. The Executive Committee requested that these topics be reviewed for the full Board in April and requested that the results of the CMA 800 member test be sent to the Executive Contact at each member company.

6. Responsible Care® Product Stewardship Code. Mr. Weckerlin presented the proposed product stewardship code and reviewed the process since January for soliciting final member company comments. He

reviewed specific changes that had been made, particularly in the areas relating to distribution and distributors. The Executive Committee approved and recommended for Board concurrence the code (Exhibit B) with the expectation that if the Board approved the code in April, it would be "issued" only when the implementation guide was completed (May/June).

7. Responsible Care® Program Status and Related Issues. Mr. Aldag reported on those companies and associations seeking Responsible Care® partner status and efforts underway to evaluate their applications. He indicated that at least one company had withdrawn its application and that it was expected that one or more applications might be brought forward for Executive Committee approval in April.

Mr. Aldag then presented some Responsible Care® "credibility" issues and preliminary concepts for discussion. There was extensive discussion of the competing needs to provide credible measurements of progress versus the need not to change the terms of the initiative with the membership, that being that each company is required only to make progress from year to year, and that the pace of improvement and the details of the self assessment process are left to each member company to determine. Issues raised and points made in the discussion included the: need for a credibility check and a schedule for implementation and measurement techniques; role of the ELGs in dialoguing with the membership on this issue; role of TQM in Responsible Care®; possibility of developing specific measurement devices for one or two codes; seek examples of existing hard data (like TRI reports) to verify performance improvement; discomfort with third party audits; and possible use of ISO 9000 certification. The Executive Committee requested that further refinement of these concepts be undertaken and that they be brought back to the Executive Committee and Board in April for further discussion.

Mr. Roland led a discussion on the relationship between Responsible Care® and CMA's traditional advocacy role, and the ongoing effort to maintain consistency across all the Association's programs.

8. MSDS Public Access Policy. Mr. Mortimer presented the proposed policy and program for MSDS public access through CMA's CHEMTREC Center. After an extensive discussion of the proposal and its ramifications, and the other options available and government mandates which might be developed, the Executive Committee approved bringing forward the proposed policy and program (Exhibit C) for Board consideration in April.

9. GATT Negotiations and Import Sensitive Product List. Mr. Walls provided a brief update on the status of the GATT negotiations and some potential difficulties involving the number of chemicals identified on the ISAC-3 list of import sensitive chemicals. The Executive Committee agreed that Mr. Roland should send a letter to the ISAC-3 requesting that it reexamine the list and the criteria used for including chemicals on the import sensitive list. The Executive Committee also agreed that CMA's support for the tariff harmonization

proposal was not necessarily contingent upon the acceptance of all the substances on the list as import sensitive.

10. Treasurer's Report. Mr. Herrman reported that the supplementary budget material provided at the meeting included year end projections which estimate a contribution to reserves of $263,200.

11. Committee Appointments. Mr. Van Vlack presented nominations to fill vacancies of several Association committees. These were approved as set forth in (Exhibit D).

12. President's Report. Mr. Mayhew presented a brief report on CMA member company TRI emission improvement numbers and Mr. Stover provided a preview of global climate change issues which will be presented in detail in April. Mr. Roland briefed the Executive Committee on a recent success regarding the RCRA "Mixtures and Derived from Rule" and the efforts planned in the months ahead to develop a new regulatory proposal. He thanked Dr. Blanchard and DuPont for volunteering a senior environmental staff person to work directly on this project.

13. Carrier Assessment Council. The Executive Committee endorsed a further solicitation of the membership to participate in the Carrier Assessment Council (Exhibit E) as presented by Mr. Strickland.

14. New Business. Mr. Hirl reported on the status of Clean Sites Inc. funding and encouraged companies to contribute commensurate with their corporate interests and relative size.

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The meeting was adjourned at 12:02 p.m.

Charles W. Van Vlack
Vice President-Secretary

CHEMICAL MANUFACTURERS ASSOCIATION
MEMBERSHIP FEE CLASSIFICATION
(Chemical Sales Basis)

Fiscal Year Beginning June 1, 1992

The following schedule of fees was established by the Board of Directors as provided under the CMA By-laws Article IV, Section 2.

Chemical Sales Calendar year 1991 $Million		**Membership Fee**
Canadian Members		$ 7,500
Under-	10.0	$ 7,500
10.0-	25.0	$ 10,000
25.0-	50.0	0.0371%*
50.0-	100.0	0.0339%*
100.0-	400.0	0.0309%*
Over-	400.0	0.0277%
Maximum Fee		$650,000

* Up to but not more than the membership fee which would be obtained by multiplying the minimum amount of the next higher chemical sales bracket by the percentage factor applicable to the higher bracket and not less than $10,000.

In addition to the above fees, the Board of Directors has established a mandatory .0131% assessment to a maximum of $307,400 to be applied to reported sales in support of the Responsible Care Public Outreach Program.

Exhibit A

CHEMICAL MANUFACTURERS ASSOCIATION

SUMMARY OF RECOMMENDATIONS FOR CONSIDERATION
OF THE CMA FINANCE AND EXECUTIVE COMMITTEES
AS CONTAINED IN THE
PRELIMINARY BUDGET FOR THE FISCAL YEAR
BEGINNING JUNE 1, 1992

I. RECOMMENDATIONS ON FY 1992/93 PROPOSED BUDGET:

A. RECOMMENDED ACTION: Approval of an expense budget for the fiscal year beginning June 1, 1992 of $34,295,200.

COMMENTS: The recommendation includes $24,295,200 in expenses for CMA General Operations and an additional $10,000,000 in expenditures for the separately funded Responsible Care Public Outreach Program. Pages no. 2, 3 and 4 in this tab present summaries of the program adjustments and budget recommendations supporting the above indicated expenditure level.

B. RECOMMENDED ACTION: Approval of the schedule of membership fees as set forth below which is unchanged from the previous year. The Responsible Care Public Outreach Assessment is unchanged from .0131% to cover the cost of $10.0 million for this separately funded program.

Chemical Sales Calendar Year 1991 $Million	Membership Fee
Canadian Members	$ 7,500
Under 10.0	$ 7,500
10.0 - 25.0	$ 10,000
25.0 - 50.0	0.0371%*
50.0 - 100.0	0.0339%*
100.0 - 400.0	0.0309%*
Over - 400.0	0.0277%
Maximum Fee	$650,000

*Up to, but not more than the membership fee which would be obtained by multiplying the minimum amount of the next higher chemical sales bracket by the percentage factor applicable to the higher bracket and not less than $10,000.

In addition to the above fees, the Board of Directors has established a .0131% assessment to a maximum of $307,400 to be applied to reported sales in support of the Responsible Care Public Outreach Program.

ANALYSIS: As set forth in Tab #20 of this workbook, the fee schedule should result in dues of $21,700,000, revenue from the special assessment of $10,000,000 and, combined with other revenue, a FY 1992/93 budget that includes a modest $367,200 use of reserves. CMA's policy on reserves is that reserves should be maintained within a range of a floor of 25% and ceiling of 50% of the General Operations expense budget. The above fee schedule should maintain reserves by the end of FY 1992/93 at an estimated $7,096,600 which represents 26.7% of the General Operations budget.

C. RECOMMENDED ACTION: Approval of the change to the Definition of Chemical Sales as recommended by CMA's Membership Committee. The recommendation is to eliminate exclusion #5 relating to Carbon, Bone and Lamp Black. Specifics are set forth in Tab #20 of this workbook.

CHEMICAL MANUFACTURERS ASSOCIATION
PRELIMINARY BUDGET - SUMMARY BY DEPARTMENT AND PROGRAM
FY 90/91 Actual, FY 91/92 Budget and Projected Results,
Preliminary FY 92/93 Budget

CMA ADVOCACY PROGRAMS	FY 90/91 Audited Results	Approved FY 91/92 Budget	Projected FY 91/92 Results	Preliminary FY 92/93 Budget
REGULATORY AFFAIRS DEPARTMENT:				
Clean Air Programs - TAB #2, pg. 7	$ 691,100	$ 1,180,200	$ 1,109,500	$ 653,600
Surface Water - TAB #2, pg. 8	279,100	294,000	333,000	346,600
Groundwater (Including SDWA) - TAB #2, pg. 9	50,700	55,100	10,400	21,000
Hazardous Waste Management (RCRA) - TAB #2, pg. 10	395,900	455,300	357,700	412,600
Hazardous Waste Cleanup (Superfund) - TAB #2, pg. 11	230,000	188,800	254,300	309,700
Pollution Prevention Program - TAB #2, pg. 12	411,900	320,500	308,800	485,500
Risk Assessment, Risk Management - TAB #3, pg. 16	666,100	640,800	904,400	793,800
Product Stewardship and TSCA - TAB #3, pg. 17	626,400	727,500	471,700	621,900
Public and Occupational Health - TAB #3, pg. 18	260,800	344,100	424,600	570,200
Epidemiology Resource & Information Center (ERIC)TAB #3	155,200	67,500	70,000	N/A
Public and Occupational Safety - TAB #4, pg. 22	157,800	155,800	234,100	215,200
Community Awareness & Emergency Response (CAER) TAB #4	250,000	276,700	197,600	164,600
Engineering & Operations - TAB #4, pg.24	252,800	295,100	276,200	338,700
Distribution Safety, Economics & Emergency Response TAB #5, pg.27	530,500	521,500	587,300	929,200
Interindustry Rail Safety - TAB #5, pg.28	192,200	250,000	203,000	N/A
DEPARTMENT TOTAL:	$ 5,150,500	$ 5,772,900	$ 5,753,600	$ 5,862,600
FEDERAL GOVERNMENT RELATIONS DEPARTMENT:				
International Trade - TAB #6, pg. 32	$ 322,700	$ 296,600	$ 251,300	$ 252,800
Taxation - TAB #6, pg. 33	262,700	266,900	236,800	261,300
Energy & Petrochemical Feedstocks - TAB #6, pg. 34	303,800	191,000	128,000	126,100
International Affairs - TAB #6, pg. 35	326,600	326,900	345,300	342,100
Economic Advocacy & Analysis - TAB #6, pg. 36	391,900	351,500	457,300	455,400
Federal Legislative Advocacy & Coalitioning-TAB #7	1,903,900	1,893,200	1,798,900	1,825,300
Grassroots Program - TAB #8, pg. 42	291,200	682,900	489,900	595,100
Political Activities Program TAB #8, pg.43	N/A	4,300	98,900	102,000
DEPARTMENT TOTAL:	$ 3,781,800	$ 4,013,300	$ 3,770,300	$ 3,961,100
STATE AFFAIRS DEPARTMENT: - TAB #9				
State Legislative & Regulatory Advocacy	$ 884,100	$ 955,500	$ 1,118,300	$ 1,134,700
Federation of State Chemical Associations	1,311,800	1,474,200	1,279,400	1,217,800
State Initiatives Program	TAB #9	TAB #9	TAB #9	TAB #9
No on 128 California Contribution	200,000	-0-	-0-	-0-
DEPARTMENTAL TOTAL:	$ 2,395,900	$ 2,429,700	$ 2,397,700	$ 2,352,500
OFFICE OF GENERAL COUNSEL: - TAB #10				
Staff and Related Legal Services	$ 1,880,900	$ 2,073,500	$ 2,104,500	$ 2,233,700
Third-Party Subpoena Response & Defendant Litigation	376,200	325,000	325,000	225,000
Outside Purchased Services	1,212,800	1,415,500	1,415,200	1,260,500
Intellectual Property	37,300	40,700	-0-	-0-
Insurance Amicus Brief Program	TAB #10	TAB #10	TAB #10	TAB #10
CMA Tort Litigation Group	TAB #10	TAB #10	TAB #10	TAB #10
General Amicus Program				
DEPARTMENT TOTAL:	$ 3,507,200	$ 3,854,700	$ 3,844,700	$ 3,719,200
COMMUNICATIONS DEPARTMENT (ADVOCACY):				
Media Communications - TAB #11	$ 1,531,700	$ 1,475,800	$ 1,454,000	$ 1,228,700
Targeted Issue & Member Communication - TAB #14	1,137,000	-0-	-0-	-0-
DEPARTMENTAL SUBTOTAL:	$ 2,668,700	$ 1,475,800	$ 1,454,000	$ 1,228,700
CMA TRADITIONAL ADVOCACY EMPHASIS PROGRAMS-SUMMARY	$17,504,100	$17,546,400	$17,220,300	$17,124,100
OUTREACH & SERVICE PROGRAMS:				
COMMUNICATIONS DEPARTMENT (OUTREACH & SERVICES):				
Responsible Care Program - TAB #12	$ 977,900	$ 1,029,200	$ 1,027,700	$ 983,400
Responsible Care Public Outreach Program - TAB #13	1,630,700	10,000,000	9,950,100	10,000,000
Targeted Issue & Member Communication - TAB #14	-0-	1,203,700	1,260,600	1,373,500
DEPARTMENT TOTAL:	$ 2,608,600	$12,232,900	$12,238,400	$12,356,900
TECHNICAL SERVICES DEPARTMENT:				
CHEMTREC/CHEMNET Administration - TAB #15	$ 1,785,400	$ 2,475,400	$ 2,182,800	$ 2,100,100
Chemical Referral Center (CRC) - TAB #15, pg. 70	252,600	344,800	352,300	407,100
CHEMTREC Registration Fees - TAB #15	(1,244,100)	(2,500,000)	(2,300,000)	(2,300,000)
CHEMSTAR Division - TAB #16	(30,900)	-0-	(30,000)	-0-
CHEMSTAR Panels	TAB #17	TAB #17	TAB #17	TAB #17
CHEMSTAR Business Councils	TAB #18	TAB #18	TAB #18	TAB #18
DEPARTMENT TOTAL (Net of Revenue):	$ 763,000	$ 320,200	$ 205,100	$ 207,200
UNALLOCATED MANAGEMENT AND SUPPORT: - TAB #19				
Executive Coordination and Support	$ 1,537,800	$ 1,412,200	$ 1,569,500	$ 1,666,300
Meetings and Conventions	333,400	313,600	340,600	347,300
Accounting and Finance	689,400	700,600	743,600	811,000
Business Services	316,300	359,900	359,100	384,700
Computer and Information Services	786,200	920,500	900,400	960,300
Printing and Distribution	351,600	425,700	420,300	437,400
UNALLOCATED SUPPORT TOTAL:	$ 4,014,700	$ 4,132,500	$ 4,333,500	$ 4,607,000
CMA OUTREACH & SERVICE PROGRAMS-SUMMARY	$ 7,386,300	$16,685,600	$16,777,000	$17,171,100
TOTAL EXPENSES:	$24,890,400	$34,232,000	$33,997,300	$34,295,200
REVENUE:				
Membership Fees - TAB #20	$22,179,600	$22,105,000	$22,316,000	$21,700,000
Responsible Care Public Outreach Assessment-TAB #20	1,630,700	10,000,000	9,950,100	10,000,000
Investment Revenue	1,788,800	1,728,000	1,570,700	1,700,000
Responsible Care Partnership Revenue	-0-	-0-	9,000	15,000
Annual & Semiannual Meetings (Net of Expenses)	188,900	170,600	157,300	219,300
Direct Program Revenue	287,400	227,000	246,900	292,600
Revenue from Special Projects	30,400	-0-	9,400	-0-
All Other	10,400	1,400	1,100	1,100
TOTAL GENERAL REVENUE:	$26,116,200	$34,232,000	$34,260,500	$33,928,000
CONTRIBUTION TO (Use of) RESERVES	$ 1,225,800	$ -0-	$ 263,200	$ (367,200)
AUTHORIZED PERSONNEL	212	223	223	223
ASSOCIATION RESERVES END OF YEAR:				
General Operations	$ 7,200,600	$ N/A	$ 7,463,800	$ 7,096,600
Public Outreach	2,533,200	$ N/A	$ 2,783,100	$ 2,783,100

Chemical Manufacturers Association, Inc.

DEFINITION OF "CHEMICAL SALES"

As revised September 13, 1988, and approved by the Board of Directors, pursuant to Section 2 of Article IV of CMA Bylaws. For use by each member firm in determining and reporting calendar year "chemical sales" dollar volume to the Treasurer for the sole purpose of membership fee computation.

A. DUES BASIS

Dues shall be based on the sales of "Chemical Products", including domestic and export sales of products manufactured ir North America. Sales of products manufactured outside the United States, its territories or possessions, are excluded Interdepartmental or intracompany transfers shall not be considered sales except that transfers outside the specific partnership, joint venture, corporation, division, or other unit of a corporation as approved for memberhip shall be considered a sale tc others and shall be valued at comparable "Market Value."

B. DEFINITION OF CHEMICALS SALES

Dues shall be assessed on sales using a three-tiered structure, in accordance with three different categories of chemical products, and dues levels. Dues shall be paid on 100% of Sales of Category I Chemical Products as described in paragraph (1) below; on 50% of Sales of Category II Chemical Products as described in paragraph (2) below; and 15% of Sales of Category III Chemical Products as described in paragraph (3) below.

(1) Category I Definition

Category I Chemical Products shall include all products of chemical manufacturing operations, except those described below in Categories II and III. Examples are petrochemicals including aliphatic, cycloaliphatic and aromatic hydrocarbons and their derivatives such as alcohols, ketones, amines, ethers, aldehydes, esters, nitrites, amides and halides; organic and inorganic industrial chemicals such as acids, anhydrides, salts, caustics, sulfates, nitrates and halogens; organometallic compounds (such as tetraethyl lead) and polymers in unfinished form including plastics and elastomers such as polyolefins, polyvinyl chloride, polyacrylic, polyurethane, polyacetals, cellulosic polymers and styrene/butadiene rubber.

(2) Category II Definition

Category II Chemical Products shall include products whose manufacture involves a substantial operation not involving chemical synthesis such as fabricating, blending, formulating or extracting, especially when such operations raise significant environmental or health issues. This group is **not** intended to include sales of final consumer retail goods, which are defined below as Category III products. Hence, the following examples pertain to industrial sales or sales of products in semifinished form, rather than retail sales.

a. Paints, Varnishes, Lacquers.

b. Inks, Polishes, Synthetic Waxes.

c. Crop Protection Chemicals, except genetically-engineered products.

d. Mixed Synthetic Fertilizers. (Individual components such as urea, ammonium and sodium nitrate and sulfate are considered Category I products. Blends of these individual components are considered Category II products.)

e. Formulated Detergents.

f. Molded or Extruded Synthetic Products. Examples: Bristles, combs, brushes, containers, and similarly fabricated plastic products; mechanical rubber goods; films formed by extrusion of materials such as saran, polyvinyl chloride, polyethylene and polypropylene.

g. Chemicals extracted without chemical synthesis from natural sources such as coal and wood products. Examples: Creosote, turpentine, rosin, pine oil.

h. Textile Fibers and Fabrics. Examples: Nylon, polyester, acrylic, cellulose acetate (including staple, yarn and tow) and knitted, woven felted and coated fabrics and floor covering.

i. Synthetic Rubber Products. Examples: V-belts and conveyor belts.

3) **Category III Definition**

Category III Chemical Products are those which meet the description of Category II Products set forth above, but which, in addition, are sold by CMA members in the same form as sold to ultimate consumers **and** include in their margins, a large marketing, advertising, or retail distribution component. Examples include branded formulated detergents, tires, household paint, and pesticides sold to the final consumer.

C. EXCLUSIONS

For the guidance of CMA members, several products which are not considered Chemical Products subject to fee are as follows:

1. Resale Products (chemicals purchased for resale and sold as such.)

2. Direct Products of Mining Operations. Examples: Phosphate rock, fluorspar, barytes, ilmenite, coal, salt, borax, potash, natural salts, and limestone. However, chemical products, such as titanium dioxide and barium carbonate, resulting from the chemical processing of mining products, are meant to be covered as Category I Products.

3. Structural Metals and Their Alloys. Examples: Aluminum, chromium, columbium, copper, hafnium, iron and steel, lead, magnesium, manganese, nickel, tantalum, titanium, vanadium, zinc, zirconium, and all fabricated metal products.

4. Animal or Vegetable Products. Examples: Oil, fats, tallow, grease, animal glue, gelatine, glycerine, vitamins from natural sources, natural rubber products. (Synthetic fatty acids, synthetic detergents, synthetic rubber and synthetic glycerine, are considered to be Category I Chemical Products, however, and are not in the excluded group.)

~~5XXCarbonXBoneXandXLampXBlackXExamplesXElectrodesXactivatedXcarbon~~

6. Natural Fertilizers.

Refinery products from lube oil base stocks. Examples: Lubricating oils, greases, waxes, asphalt.

8. Fuels. Examples: Coke, diesel oils, gasoline. (However, fuel additives prepared by chemical synthesis such as tetraethyl lead and MTBE are Category I products.)

9. Gases derived from air, except to the extent sold for use in the chemical industry. Examples: Helium, argon, neon, oxygen and nitrogen. (All gases produced through chemical processes are considered Category I products. Example: chlorine gas.)

10. Equipment and Devices, including:

    a. Physical Facilities. Examples: Coke ovens, gas producers, electrolytic cells, sulfuric acid plants, cutting and welding equipment, tractors, mowers, sprayers, pumps.

    b. Devices. Examples: Fuses, blasting accessories; signals, jet perforators; ammunition, powder cartridges; cameras; photographic accessories, including light-sensitized film and paper; instruments; welding rods; batteries.

11. Pharmaceuticals (including over-the-counter drugs), cosmetics, personal health care products and food additives.

12. Wood Products. Examples: Wood pulp for paper and rayon manufacture.

13. Tar, Asphalt and Pitch.

14. Products of genetic engineering. Examples: Recombinant DNA, monoclonal antibodies, interferon.

15. Ceramics, including powders and formed or molded components.

DRAFT

Product Stewardship Code of Management Practices

PURPOSE AND SCOPE

The purpose of the Product Stewardship Code of Management Practices is to make health, safety and environmental protection an integral part of designing, manufacturing, marketing, distributing, using, recycling and disposing of our products. The code provides guidance as well as a means to measure continuous improvement in the practice of product stewardship.

The scope of the code covers all stages of a product's life. Successful implementation is a shared responsibility. Everyone involved with the product has responsibilities to address society's interest in a healthy environment and in products that can be used safely. All employers are responsible for providing a safe workplace, and all who use and handle products must follow safe and environmentally sound practices.

The code recognizes that each company must exercise independent judgment and discretion to successfully apply the code to its products, customers and business.

RELATIONSHIP TO RESPONSIBLE CARE® AND GUIDING PRINCIPLES

Implementation of the code promotes achievement of several of the Responsible Care® Guiding Principles:

- to make health, safety and environmental considerations a priority in our planning for all existing and new products and processes;
- to develop and produce chemicals that can be manufactured, transported, used and disposed of safely;
- to extend knowledge by conducting or supporting research on the health, safety and environmental effects of our products, processes and waste materials;
- to counsel customers on the safe use, transportation and disposal of chemical products;
- to report promptly to officials, employees, customers and the public, information on chemical-related health or environmental hazards and to recommend protective measures;
- to promote the principles and practices of Responsible Care® by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose of chemicals.

DRAFT

MANAGEMENT PRACTICES

Each company shall have an on-going Product Stewardship process that:

Management Leadership and Commitment

1. LEADERSHIP: Demonstrates senior management leadership through written policy, active participation and communication.

2. ACCOUNTABILITY and PERFORMANCE MEASUREMENT: Establishes goals and responsibilities for implementing product stewardship throughout the organization. Measures performance against these goals.

3. RESOURCES: Commits resources necessary to implement and maintain product stewardship practices.

Information and Characterization

4. HEALTH, SAFETY and ENVIRONMENTAL INFORMATION: Establishes and maintains information on health, safety and environmental hazards and reasonably foreseeable exposures from new and existing products.

5. PRODUCT RISK CHARACTERIZATION: Characterizes new and existing products with respect to their risk using information about health, safety and environmental hazards and reasonably foreseeable exposures. Establishes a system that initiates re-evaluation.

Risk Management

6. RISK MANAGEMENT SYSTEM: Establishes a system to identify, document and implement health, safety and environmental risk-management actions appropriate to the product risk.

7. PRODUCT and PROCESS DESIGN and IMPROVEMENT: Establishes and maintains a system that makes health, safety and environmental impacts--including the use of energy and natural resources--key considerations in designing, developing and improving products and processes.

8. EMPLOYEE EDUCATION and PRODUCT USE FEEDBACK: Educates and trains employees, based on job function, on the proper handling, recycling, use and disposal of products and known product uses. Implements a system that encourages employees to feed back information on new uses, identified misuses or adverse effects, for use in product risk characterization.

9. CONTRACT MANUFACTURERS: Selects contract manufactur rs who employ appropriate practices for health, safety and environmental protection for the operations under contract; or, works with contract manufacturers to help them implement such practices. Provides information and guidance appropriate to the product and process risk to foster proper handling, use, recycling and disposal. Periodically reviews performance of contract manufacturers.

10. SUPPLIERS: Requires suppliers to provide appropriate health, safety and environmental information and guidance on their products. Factors adherence to sound health, safety and environmental principles, such as those contained in Responsible Care®, into procurement decisions.

11. DISTRIBUTORS: Provides health, safety and environmental information to distributors. Commensurate with product risk, selects, works with and periodically reviews distributors to foster proper use, handling, recycling, disposal and transmittal of appropriate information to downstream users. When a company identifies improper practices involving a product it will work with the distributor to improve those practices. If, in the company's independent judgment, improvement is not evident, then the company should take further measures, up to and including termination of the business relationship. This Management Practice should be implemented in conjunction with the Distribution Code of Management Practices.

12. CUSTOMERS AND OTHER DIRECT PRODUCT RECEIVERS: Provides health, safety and environmental information to direct product receivers. Commensurate with product risk, works with them to foster proper use, handling, recycling, disposal and transmittal of appropriate information to downstream users. When a company identifies improper practices involving a product it will work with the product receiver to improve those practices. If, in the company's independent judgment, improvement is not evident, then the company should take further measures, up to and including termination of product sale.

RELATIONSHIP TO OTHER CODES OF MANAGEMENT PRACTICES

This code complements, and should be implemented in conjunction with, current and future Codes of Management Practices.

Exhibit C

PROPOSED CMA POLICY ON PUBLIC ACCESS AND DISTRIBUTION OF MSDSs

I. INTRODUCTION

Access to Material Safety Data Sheets (MSDSs) has arisen as a concern in issues related to hazard communication and public right-to-know. The solution to improving MSDS accessibility is generally considered to be a central repository of all data sheets. CMA is looked upon as a possible source of MSDSs because of its existing library of 900,000 MSDSs, maintained to support the operation of the CHEMTREC emergency center.

Last Spring, CMA received a request from the Occupational Safety and Health Administration (OSHA) to look into the possibility of providing general access to its MSDS repository. At the same time, two external organizations are considering establishing MSDS repositories outside of CMA.

In response, CMA has developed this proposed policy to support MSDS access on a non-emergency basis. This policy could be influential to policy-makers and outside organizations currently addressing the issue. The proposed policy has been approved by the Health and Safety Committee and a work group of the Ad Hoc Board Committee of the National Chemical Response and Information Center (NCRIC) which is reviewing the CHEMTREC and Chemical Information and Referral Center (CIRC) programs. In December, 1991, the CMA Officers recommended that this proposal be brought forward for Executive Committee review in March and Board consideration in April, 1992.

II. BACKGROUND

MSDSs, originally intended for employees of the manufacturing sector who handle hazardous materials under the OSHA Hazard Communication Standard (HCS), are now available by law to very large and diverse audiences, including firefighters, local emergency planning commissions (LEPCs) and the public under Title III of the Superfund Amendment and Reauthorization Act (SARA). The Administration has examined the role of data sheets under SARA Title III. In the draft final report, Risk Communication as a Regulatory Alternative for Protecting Health, Safety and Environment, (Administrative Conference of the United States, 1989, at p. 79-80), Dr. Michael Baram reports "...it is now apparent that citizens have had difficulty in securing and understanding the MSDSs and inventories, and that in many states, LEPCs and fire departments have been overwhelmed by the number of MSDSs and Inventory Reports submitted..."

The Occupational Safety and Health Administration (OSHA) has requested comments (55 FR 20580, May 2, 1990) on how the HCS is working several years into its implementation. Over 500 comments were received by OSHA. While the requests for a MSDS repository were not overwhelming, the interest was of sufficient magnitude for OSHA to ask CMA to consider providing general access to its MSDS library. Almost all of these comments noted CHEMTREC as a likely source.

OSHA is simultaneously conducting a study on the feasibility of a central repository for MSDSs through the Organization Resource Counselors (ORC). A pilot of this system debuted at the May, 1991, meeting of the American Industrial Hygienists Association (AIHA). One long-term objective of the ORC proposed system may be to help alleviate the tremendous paperwork and information management burden imposed on businesses to maintain their own MSDS files in the absence of a central source. Another possible use of the ORC system is by OSHA inspectors for compliance purposes. Although the pilot is underway, there is still substantial work needed in systems design and a formal revision of hazard communication requirements before the full system could be implemented. ORC intends to seek a modification to the HCS that would require manufacturers to submit their MSDSs to this repository (currently manufacturers are only required to provide MSDSs to their customers, LEPCs and employees).

In response to similar requests for a central access point for MSDSs from their subscribers, the Chemical Abstracts Service (CAS) is re-considering a proposal to establish a MSDS database.

III. PROPOSED PROGRAM

MSDSs describe the health effects and safe handling procedures for individual commodities. They should therefore be accessible to all who use or handle chemicals. In addition, MSDSs should be accessible to those seeking information about chemicals for emergency planning or other purposes.

MSDSs are currently distributed from supplier to customer under the OSHA Hazard Communication Standard. They are also accessible to Local Emergency Planning Committees from facilities in their jurisdiction as required by SARA Title III.

However, MSDSs may not be readily accessible to those outside of the direct chain of distribution or the jurisdiction of an LEPC. Therefore, CMA will make MSDSs of participating companies stored in its existing library generally available to the public . The proposed access system will be designed as a voluntary public service, consistent with the principles of Responsible Care®, to serve:

- o Emergency Responders;
- o LEPCs and State Emergency Response Commissions (SERCs);
- o The general public;
- o As a supplemental source to workers, and users and handlers in commerce.

The proposed public service for MSDS access would operate as an extension of the CMA's Chemical Information and Referral Center (CIRC). Only those MSDSs from companies that have decided to participate will be made available through this program. Both CMA members and non-members registered in CHEMTREC will be encouraged to participate.

Calls would be received via the CIRC 800 number during business hours, and handled by CIRC operators. The MSDSs would be mailed or faxed to the caller. Guidelines for the operation of this service are under development. Several key operational issues are addressed in the attached Q&A.

Benefits to industry include:

- o providing a public service to LEPCs, fire departments, workers and the general public;
- o supporting Responsible Care® and Product Stewardship efforts to portray the chemical industry as open and cooperative;
- o taking the lead in addressing this situation in the most efficient and least burdensome manner;
- o allowing industry to oversee the management and distribution of this information for which it is both the primary developer and user.

IV. PROPOSED POLICY

Material Safety Data Sheets (MSDSs) describe the health effects and safe handling procedures for hazardous materials. MSDSs should therefore be accessible to all who use or handle chemicals. In addition, MSDSs should be accessible to those seeking information about chemicals for emergency planning or to learn information about a specific material.

To enhance the accessibility of MSDSs, CMA will make data sheets of companies participating in this program generally available from its existing library of MSDSs. The service will be available to emergency planners, LEPCs, workers and private citizens as a public service. It will be operated as an additional service of the Chemical Information and Referral Center. Operators will handle calls during business hours and fax or mail the MSDS to the caller.

V. POTENTIAL CONCERNS

A. Concerns for Suppliers

Centralizing the storage and access to millions of MSDSs raises concerns in protecting the MSDS supplier from:

- o Liability from the use of out-of-date MSDSs. Currently suppliers maintain mailing lists of customers who have received data sheets. Through the mailing list, the supplier can directly issue updated MSDSs. When users access MSDSs through a central source, the supplier loses this direct contact.

The problem may be addressed in two ways:

- building a feature into the access system that would regularly notify the supplier of who requested a data sheet; and/or
- a change in the HCS that places the obligation on the user to access data sheets, rather than on the supplier to distribute them. [This regulatory change would not alter tort or common law liability.]

o Misuse of business information. Entities seeking information to enhance their commercial competitiveness could not be prevented from using the system. While this activity probably cannot be stopped, it should be noted that the ability to do this already exists. A central repository would simply facilitate acquisition of MSDSs for this purpose.

o Misuse of health and safety information. The centralized information will facilitate the existing process of discovery by a plaintiff's attorney.

o Comparison of MSDSs for the same product from different manufacturers for compliance enforcement. Again, this is an activity that can be performed at the present time but would be facilitated by access to a central repository.

o Use of the system to support academic, research or other purposes not directly related to safe use or community right-to-know.

B. Concerns for CMA

Maintaining a database of MSDSs and distributing them on a non-emergency basis to the public raises concerns for CMA.

o Liability from the distribution of out-of-date MSDSs. The resulting liability that arises for passing on out-dated or incorrect information to users ranges from serious (it causes an emergency or exacerbates an accident) to minor (it forces the user to make a second call once the mistake is realized). One solution that offers some protection for CMA is to include a legal disclaimer with each distributed MSDS. At a minimum, the disclaimer will make clear that: (1) CMA does not endorse environmental, health, safety or other information in the MSDS; (2) The MSDS is time-sensitive and may be updated by the preparer.

- o Pressure to select the "best" MSDS. Making MSDSs available to requestors on a non-emergency basis could put pressure on CMA staff to make decisions (potentially in error) about the "best" or "most current" MSDS where requests are not specific (i.e., to company or product names). Whenever CMA provides a caller with the "best" MSDS, relying on technical staff judgment, the situation presents a significant legal risk to CMA. The Association is put in the position of ensuring accuracy, thoroughness, quality and relevance to the caller. The above disclaimer alone is not sufficient to protect CMA in such a situation. These liability concerns dictate that the callers, not CMA, should make the selection. The more control or judgment made by the caller, the less liability risk is accepted by CMA. The "caller selection" alternative is responsive to the person who can identify the MSDS chemical but not the company and does not present an unreasonable risk of liability to CMA.

- o Provision of selective data. Providing selective MSDS information or interpreting data on chemicals presents a serious liability risk for CMA. Consistent with the current scope and focus of the MSDS Access project, the CIRC operator should refrain from providing selective information on the chemical either from the MSDS or some other source.

- o Cost to set-up, operate and maintain the service. While these costs may be further evaluated during the pilot study, a preliminary estimate of resource needs is attached (Appendix C). These project $158,000 in costs for capital equipment and one additional staff position (CIRC operator).

VI. SYSTEM MANAGEMENT AND MAINTENANCE REQUIREMENTS

To address the concerns described above, the following are recommendations for system management and maintenance:

- User Requirements

  - o Users must supply contact information (i.e., name and address) that will allow updates to be sent directly to them by the company.

  - o Users must actively select the MSDS of interest from those listed by the CRC operator (i.e., the caller, not CMA, makes the MSDS selection).

• Information/Operation Management Requirements

- The system will store and distribute only the most recent issue of the MSDSs. Out-of-date versions will be deleted. There will be no archiving of out-dated records.

- MSDSs distributed through this system must be accompanied by a notice that:
  - identifies CMA as the distribution source;
  - shows the date the MSDS was requested and sent to the user;
  - stipulates that the MSDS provided was the only version for that company and material available at CMA at the time of the request;
  - encourages the recipient to contact the manufacturer directly for more information.
  - includes a legal disclaimer.

- The capability to rapidly upload new MSDSs, and immediately delete out-of-date MSDSs must be provided.

- MSDS suppliers must receive notices informing them of the:
  - identity of the MSDS requested;
  - name and address of requestor.

- MSDS suppliers must receive notice of the date their MSDSs were entered into the system and a complete listing of current records.

- A resource should be provided to assist MSDS suppliers who need assistance in preparing their data for submission to CMA.

VII. ACTION REQUESTED

Endorsement by the Executive Committee to bring the proposed program and policy forward to the Board in April for action. The ad hoc Board NCRIC Committee will review the recommendations in the interim as well and their recommendation will accompany the April proposal.

CMA
EC-3/3/92

COMMITTEE APPOINTMENTS

RECOMMENDATION

Appoint the following individuals to the committees and committee offices designated:

Communications Committee

Donald J. Verricho, E. I. du Pont de Nemours & Company, term expiring May 31, 1993. (Replacing Kenneth Jacobson of the same company.)

Federal Government Relations Committee

Mark D. Nelson, E. I. du Pont de Nemours & Company, term expiring May 31, 1993. (Replacing Stacey J. Mobley of the same company.)

State Affairs Committee

Thomas J. Medaglia, III, Amoco Corporation, term expiring May 31, 1994. (Replacing Daniel J. Grissom of the same company.)

Federation Advisory Council

Sandra Johnson, Chemical Industry Committee, Tennessee Association of Business, as a new member.

Lavatus Powell, President, Ohio Chemical Council, and of Procter & Gamble Company. (Replaces David Cox, of W. R. Grace).

Public Outreach Coordinating Group

Richard Dalton, The Dow Chemical Company, as a new member.

ACTION REQUIRED

Approval of recommendation.

CMA
EC-3/3/92

CARRIER ASSESSMENT COUNCIL

OBJECTIVE

The CHEMSTAR Carrier Assessment Council needs to increase its membership in order to sustain sufficient funding to continue its planned activities. To accomplish this objective, the Council would like to obtain a letter from the CMA Board of Directors and the CMA President to CMA executive contacts encouraging CMA member companies to join and participate in the Carrier Assessment Council or to contribute funds to the program.

MEMBERSHIP

Currently, there are a total of 31 CMA member companies financially supporting and participating in the CHEMSTAR Carrier Assessment Council. These companies are listed in Attachment A.

BACKGROUND

The driving force behind this request to obtain a letter encouraging Council membership is a financial issue. Budgeted activities for the Council for fiscal year 1992-1993 are $435,250. Because there are currently 31 companies participating in the Council, the financial burden for the forthcoming fiscal year is approximately $14,000 per company ($435,250/31). This is a substantial financial burden for the vast majority of Council companies. An increase in Council membership will reduce the financial burden of CMA member companies participating in the Council.

The Responsible Care® Distribution Code of Management Practices requires that CMA member companies: (1) develop a carrier qualification process that emphasizes carrier safety fitness and regulatory compliance, and includes regular review of carrier performance and compliance; and (2) develop a means to provide feedback to carriers on their safety and regulatory performance.

In April 1990, the Distribution Committee's Highway Safety Task Group approached the CHEMSTAR Division of CMA requesting guidance on how to establish a Business Council. The Highway Safety Task Group considered a Business Council to be the most efficient mechanism for organizing interested CMA member companies and for addressing the carrier safety provisions of Responsible Care®. In addition, it was recognized that a Business Council would help CMA members and carriers by: (a) reducing duplicate audits of carriers; (b) providing a net cost savings to both CMA members and carriers; (c) obtaining complete and accurate periodic assessments of carriers; and, (d) obtaining access to qualified auditors with experience in conducting safety and regulatory compliance evaluations of carriers. Currently, considerable duplication of effort occurs among CMA shippers auditing the same carriers. Many carriers conduct self-evaluations, but often do not provide complete or accurate periodic assessments of operations to CMA shippers. Further, many CMA shippers do not have the in-house resources or expertise to conduct their own carrier safety and regulatory compliance audits.

Recognizing the substantial financial and manpower investments involved in addressing the carrier safety provisions of Responsible Care®, thirty one (31) CMA member companies pooled resources to create the "Carrier Assessment Council" to work toward a coordinated industry program. The Council was chartered in March 1991 and was subsequently self-funded by its members. The charter is presented as Attachment B.

To date, the 31 Council member companies have contributed $155,000. The initial cost to the Council member companies was $5,000 each ($5,000 X 31 = $155,000). An additional assessment of $7,100 per company was recently committed by Council members to continue work through 5/31/92 ($7,100 X 31 = $220,100). The cost to continue Council activities for fiscal year 1992-1993 is $435,250, which is a substantial burden for the current Council members.

One option initially considered by the Council was to approach the CMA Board of Directors and request that the general CMA membership help fund the Council. Because all CMA members will benefit from the efforts of the Council, it was thought that all CMA members should financially support the Council's program. In short, the Council's program is to establish a system to assess the safety and regulatory compliance of highway, marine, and rail carriers used by CMA shippers. The program is considered a very high priority to Council participants, as well as to many non-participating CMA companies looking for leadership and guidance on how to address the carriers safety provisions of Responsible Care®. The Council is providing that leadership and guidance. The budgeted $435,250 for fiscal year 1992-1993 is the amount needed to develop an effective assessment system for the CMA membership. Once the system is developed, the major cost beyond fiscal year 1992-1993 will be the cost to conduct audits. The Council is working toward various audit funding options, one of which is to have the carriers themselves bear the audit expenses. The CMA Distribution Committee recently endorsed the Council's plans for addressing the carrier safety provisions of Responsible Care®. The Distribution Committee also recently endorsed the Council's initial plan to approach the Board of Directors for CMA funding. However, because of the impact of the economic recession on the membership and planned CMA budget reductions, a request for CMA funding was not considered a realistic option at this time.

If the Council can not increase its funding, then it will have to either cease or significantly cut-back its activities. Cessation of activities is not an attractive option because individual companies within the CMA membership will have to undertake expensive efforts aimed at accomplishing what the Council was originally designed to do. For example, one of the larger CMA member companies estimated that it may be required to spend up to 6.5 million dollars to audit its highway carriers every 4 to 5 years to comply with the Distribution Code. Rather than cease or reduce the Council's critical effort to establish a carrier safety program for the entire CMA membership, increased funding through a membership drive or member contributions are the most realistic options at this time.

RECOMMENDATION

It is recommended that a letter from the CMA President, supported by the CMA Board of Directors, be sent to CMA executive contacts encouraging CMA member companies to join the CHEMSTAR Carrier Assessment Council or to contribute funds to the program.

ACTION REQUIRED

Approval of recommendation.

ATTATCHMENT A

CMA Member Companies Participating in the Carrier Assessment Council

Air Products and Chemicals
Akzo Chemicals Inc.
Allied-Signal Inc.
American Cyanamid Company
ARCO Chemical Company
ATOCHEM North America, Inc.
BP Chemical Company
BASF Corporation
Chevron Chemical Company
CIBA-GEIGY Corporation
Dow Chemical Company
E. I. du Pont de Nemours & Company
Eastman Chemical Company
Ethyl Corporation
Exxon Chemical Company
FMC Corporation
Hoechst Celanese Corporation
ICI Americas Inc.
Lyondell Petrochemical Company
Mallinckrodt, Inc.
Miles, Inc.
3M
Occidental Chemical Corporation
Olin Chemicals
PPG Industries, Inc.
Rhone-Poulenc, Inc.
Rohm and Haas Company
SCM Chemicals, Inc.
Shell Chemical Company
Texaco Chemical Company, Inc.
Union Carbide Corporation

ATTACHMENT B

CARRIER ASSESSMENT COUNCIL

Charter

The Council will act as a forum to address carrier safety evaluation issues and carrier environmental and regulatory performance. The Council may:

(1) Advocate and facilitate a carrier qualification process that emphasizes carrier safety fitness and regulatory compliance, and includes regular reviews of carrier performance and compliance; and

(2) Develop a means to provide feedback to carriers on their safety performance and regulatory compliance, including suggestions for improvement.

Procedures to accomplish these goals may include:

- developing standard audit protocols that can be used to assess carrier safety and regulatory compliance;
- advocating and facilitating development of an impartial, equitable, and efficient third-party carrier audit system that will provide carrier safety certification;
- advocating and facilitating development of an accreditation process for auditors; and,
- other procedures or activities that may be required to accomplish (1) and (2).

The Council may address carriers of all modes, including motor, rail, marine, and air. The Council's efforts may focus on common, contract, and private carriage, which may include customer controlled carriers transporting bulk and package chemicals.

The Council will be responsible for certain administrative matters, including the election of officers, determination of the basis for sharing the costs of the Council activities among participating companies, designation of appropriate company personnel to serve on the Carrier Assessment Council, and liaison with interested non-participating parties. Opportunities will be provided for additional qualified participants to join the Council at any time.

The Council will function as a special committee under CMA Bylaws, and its operation will be subject to the CHEMSTAR Business Council Guidelines.