

AGENDA
MEETING OF THE MCA EXECUTIVE COMMITTEE
7:30 a. m., Tuesday, January 11, 1977
The Washington Hilton, Washington, D. C.

1. Financial Report for Seven Months Ended December 31, 1976.
2. Fiscal Outlook for Fiscal Year 1977-78.
3. Proposed Role of MCA in Development of Regulations Under the Toxic Substances Control Act.
4. Major Issues Confronting the Chemical Industry.
 - Air.
 - Water.
5. Recommendations by Benzene Producers for Study in Connection with OSHA Regulation.
6. Administrative Matters.

MINUTES OF MEETING
MCA EXECUTIVE COMMITTEE
Washington Hilton, Washington, D. C.
January 11, 1977

Following breakfast at 7:30 a.m., the meeting was called to order by Mr. Donley, Vice Chairman of the Board, who presided in Dr. Affleck's absence. There were present:

Edward Donley, Acting Chairman	
John T. Connor	William S. Sneath
William J. Driver	N. B. Sommer
J. Morris Evans	(for J. G. Affleck)
Richard E. Heckert	Harvey J. Taufen
H. Barclay Morley	Robert A. Winslow
Tom K. Smith, Jr.	

John H. Pickering, Outside Counsel
Bruce M. Barackman, Staff Counsel
George E. Best, Secretary-Treasurer

By Invitation:

Harry D. McNeeley, Eastman Kodak Company

1. Financial Report for Seven Months Ended December 31, 1976

Mr. Best reported the information shown in Exhibit A. He also drew attention to several income and expense items in a supplementary tabulation distributed to those present, citing the possibility -- if no additional expenditures are authorized -- of ending the year with somewhat less than the presently budgeted \$190,000 deficit.

Mr. Driver reminded that chemical sales data for calendar 1976 and fiscal year 1977-78 budget requests, both being currently assembled, will provide the basis for a tentative appraisal at the February meeting of the financial outlook for the next year.

2. MCA Role/Regulatory Developments Under Toxic Substances Control Act

In response to a request by the Executive Committee, a policy paper to serve as guidance for MCA participation in regulatory developments was drafted and was distributed in advance with the tentative agenda. The statement of policy as approved (Exhibit B) was changed from the draft only in the substitution of "does not" for "cannot" in the fourth line of the fourth paragraph. Although associated by title with a particular law, it is

CMA 061906

intended that the enunciated policy will have general application. Mr. Driver will arrange for its distribution to the Executive Contacts of member companies.

Note was taken of a communication from Mr. Peter C. Reilly of Reilly Tar & Chemical Corporation suggesting that MCA's role be limited to obtaining and distributing information (on regulatory matters) to its membership. Reaction was in the vein that such a posture would reverse MCA's current trend, is outmoded, and would not be generally acceptable.

At the same time, there was full recognition of a strong emphasis on the desirability of MCA's being selective in dealing with regulatory matters. The range and number of individual product aspects certainly would exceed the Association's capacity, and normally it would be appropriate for MCA to concentrate on matters of general rather than special interest.

3. Major Issues Mr. Driver mentioned the Senior Advisor role of Messrs. Winslow and Sneath in relation to efforts concerning amendment of the Federal Clean Air Act and Water Pollution Control Act, respectively, the organization of intercommittee task groups in this connection, and his plan to present a review of present status at today's Board meeting.

Mr. Sneath told of Messrs. Evans' and Henske's acceptance of assisting in this responsibility, and the importance he attaches to inter-industry liaison. Mr. Winslow expressed confidence in the approach now being taken by the Air Quality Committee, and his intention also to recruit associates with which to share his part in these endeavors.

4. Proposed Benzene Study Relative to OSHA Regulation
Mr. Driver recapitulated the proposal distributed in advance with the tentative agenda concerning the interest of major benzene producers and users in having MCA administer a project, funded by subscription, to collect and examine the technical data forming the basis of a NIOSH recommendation to lower the permissible exposure level to 1 ppm (from 10 ppm), and develop other relevant information for communication to OSHA in reference to the creation of a workplace standard.

While the assembly of toxicological and other scientific data on benzene and related research for adding to such information would not differ in principle from projects on other chemicals administered by MCA, interpreting significance represents a new dimension. There was concerted agreement that any such representation should be made strictly by the interested companies speaking for themselves, singly or collectively.

Should any instance arise where attachment to MCA is desired, clearance through and authorization by the Board of Directors would be required.

With this understanding, it was agreed to recommend Board approval of the project for MCA administration. Inasmuch as this matter is receiving consideration by other organizations, e.g., American Petroleum Institute, it was felt that an explicit commitment to coordinate with them should be stated.

5. Acrylonitrile Toxicological Research Mr. Smith inquired about plans for the release of findings from the toxicological research on acrylonitrile being administered by MCA. Mr. Driver told of having coordinated with the supporting companies a notification to EPA and other concerned agencies that a meeting was being arranged for the 14th for the research investigator (Dow Chemical) to present details observed of abnormalities in test animals at the mid-point of the two-year study. It was explained that greater uniformity of understanding and less unwarranted speculation would result from simultaneously contacting all the government agencies than from telling a key agency and leaving it to that one to communicate with the others.

There was full agreement that MCA should play a neutral role in such releases, making certain that attribution clearly connects the information to its source, then referring inquiries to that source or to the particular companies involved, as appropriate.

6. Chemical Industry Trade Advisor Mr. Driver told of having received a recommendation for continuing the work so capably carried on by Dr. David H. Dawson prior to his final short illness and death in mid-December. It is proposed to arrange for a working industry executive to be the nominal head on a part-time basis and a full-time deputy to handle the routine. It is estimated that negotiations will get under way in about six months, and thought desirable to maintain the momentum of industry preparedness. The proposed arrangement was approved in principle. Mr. Driver indicated he would institute a search for candidates.

7. Product Liability Problems In response to inquiry from Mr. McNeeley, Mr. Pickering said this subject is under discussion by the Legal Advisory Committee, and its consideration within the Insurance Committee also was mentioned. While a private insurance pool arrangement is a solution some groups have turned to, legislated limitations of liability are viewed as highly desirable. Mr. Driver plans to attend an international congress on this subject in London later this month.

8. Administrative Matters

(a) MCA Safety Publications Program In furtherance of continuing the publications program as approved in October, Mr. Driver

reported adding a professional staff member, whose employment is due to begin later this month, and issuing a notice to member companies of an increase in the price of certain publications in order to meet the stipulation that the program shall be financially self-sustaining.

(b) EPA Toxic Substances Advisory Committee

Mr. Driver referred to EPA's request to OMB for approval of the creation of a Toxic Substances Advisory Committee, and invited suggestions for candidates in case one is to be formed.

(c) CEFIC Liaison

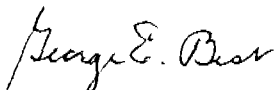
Although not yet definite, Mr. Driver said it is possible CEFIC representatives will arrange to visit with the Executive Committee in conjunction with the latter's scheduled May 10th meeting. An agenda is under development.

(d) Meeting of Executive Contacts of Small Member Companies

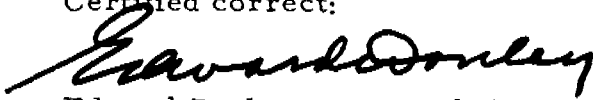
Mr. Driver reported good response to the invitation to the smaller half of the Association's membership for their Executive Contacts to meet with the staff on February 16 to learn about the MCA organization and current program and to obtain any suggestions for improving the services to small companies.

(e) U.S. Savings Bonds

Mr. Driver mentioned that Mr. Irving S. Shapiro, Du Pont Chairman, will make a brief presentation after the Board luncheon on February 8 in his capacity as chairman of the chemical industry Savings Bond drive.


George E. Best
Secretary-Treasurer

Certified correct:

 1/24/77
Edward Donley, Acting Chairman
Executive Committee

REPORT OF THE SECRETARY-TREASURER

January 11, 1977

Dollar amounts rounded from tabular details
(\$000)

INCOME & EXPENSE		Percent of
<u>June 1, 1976 - December 31, 1976 - 7 Months (58%)</u>		<u>Budget</u>
Income - Membership Fees	\$2,767	100.618%
- Other	407	83.061%
	\$3,174	97.963%
Expense - Operations	\$1,789	61.372%
- Project	120	23.301%
	1,909	55.656%

ASSETS
(As of December 31, 1976)

Cash	\$ 59	
Investments	6,300	
Miscellaneous	7	
	\$6,366	

Toxic Substances Control Act

The Environmental Protection Agency (EPA) will shortly begin the process of developing regulations to implement the recently enacted Toxic Substances Control Act (TOSCA). What role should MCA play in the implementation process?

General: MCA should take an active role in the implementation process and should concentrate on matters which affect a number of its members or which involve questions of broad concern to the manufacturing chemical industry even though they may not immediately affect many members. In furtherance of this role, a newly constituted Chemical Regulations Advisory Committee (CRAC), is to be primarily concerned with the development of regulations implementing TOSCA. In addition, an Ad Hoc Group of Senior Advisors to CRAC has been established to provide policy direction and to ensure that MCA does what it can and should in assisting EPA, that the MCA Executive Committee is aware of problems arising during implementation and acts when necessary, and that MCA is as helpful as it can be to its member companies in the interpretation and implementation of TOSCA.

Specific: MCA should address itself to regulatory questions of general application, as contrasted to questions involving a particular company or chemical substance. Nevertheless, should a proposed regulation involve a precedent-setting or first-impression principle, or for other special reasons, it may be important for MCA to take a position. "How; not what" should be its guidepost.

Member Companies: Each member company should recognize that MCA's participation in the regulatory process in no way diminishes the responsibility of any individual company to protect its own interests. MCA advocacy does not restrict the independence of MCA member companies. Indeed, each member is invited to express its individual views regarding any issue raised in the implementation process.

The role of MCA in the TOSCA implementation process should be communicated promptly to each member company.