

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
10:00 a.m., Tuesday, October 8, 1974
The Madison, Washington, D. C.

- I. Opening Remarks and Introduction of Guests
- II. Minutes of Meeting of September 10, 1974, Including Financial Statement for Three Months Ended August 31, 1974
- III. Business Items:
 - (a) Approval of Director's Alternate -
David H. Bradford, Jr. (for Frederick L. Bissinger)
 - (b) Proposed Financial Support of National Academy of Sciences Symposium on Specifications for Food Ingredients (Attachment)
 - (c) December Meetings of Board of Directors and Executive Committee
 - (d) Appointment of Committee Members (Attachment)
- IV. Report of Director of Government Relations
- V. Reports of Committees:
 - (a) Government Relations Committee
Everett H. (Ev) Bellows, Chairman
 - (b) Technical Information Retrieval Committee
Robert H. (Bob) Blaker, Chairman
 - (c) Economic Policy Review Committee
Fletcher L. (Fletch) Byrom, Chairman
- VI. Report of the President

Next Meeting of the Board of Directors - 3:00 p.m., Monday, November 25, 1974, Pinnacle Club (Rooms A, B and C), located on the top floor of the Mobil Building, 150 East 42nd Street, New York City.

CMA 070616

MINUTES of the two hundred thirty-fourth meeting of the Board of Directors of the Manufacturing Chemists' Association, Inc., held at The Madison, Washington, D. C., Tuesday, October 8, 1974, at 10:00 a.m.

Directors:	Edward R. Kane, Chairman	
	Jack B. St. Clair, Vice Chairman	
	James G. Affleck	John W. Hanley
	Warren M. Anderson	Harry T. Marks
	Frederick L. Bissinger	Harry D. McNeeley
	Harry W. Buchanan	Adolph Monsaroff
	E. E. Chipman	H. Barclay Morley
	Thomas C. Dabovich	Donald D. Pascal
	William J. Driver	Albert J. Royce, Jr.
	J. Morris Evans	Harvey J. Taufen
	James M. Gill	Harold E. Thayer
	John R. Hall	John F. Welch, Jr.

Alternates:	David H. Bradford (for Frederick L. Bissinger)
	Werner C. Brown (for Harvey J. Taufen)
	James C. E. Fuller (for James H. Gardner)
	Robert C. Hyndman (for Thomas C. Dabovich)
	Howard H. Irvin (for Thomas S. Farmer)
	James E. Magoffin (for Harry D. McNeeley)
	Harold S. Mickley (for H. Barclay Morley)
	W. C. Roher (for Z. D. Bonner)

General Counsel:	Lloyd Symington
Secretary-Treasurer:	George E. Best

By invitation:	Bruce M. Barackman, MCA
	Everett H. Bellows, Olin Corporation
	Robert H. Blaker, E. I. du Pont de Nemours & Company
	Fletcher L. Byrom, Koppers Company, Inc.
	William J. Canavan, Olin Corporation
	Hugh M. Robinson, MCA
	William M. Stover, MCA
	David C. Williams, MCA

Chairman Kane opened the meeting by calling for self-introduction of those present in turn.

I. MINUTES OF SEPTEMBER 10, 1974, MEETING

Minutes of the September 10th Board meeting, as distributed, including the financial statement for three months ended August 31, 1974, were duly approved.

II. REPORT OF THE SECRETARY-TREASURER

Exhibit A, attached.

III. BUSINESS ITEMS

(a) Approval of Director's Alternate David H. Bradford, Jr., was duly approved as the designated Alternate for Frederick L. Bissinger.

(b) Financial Support of National Academy of Sciences Symposium on Specifications for Food Ingredients The proposal for support was distributed in advance with the tentative agenda. Chairman Kane reported a favorable recommendation from the Executive Committee.

ON MOTION, duly made and seconded,
it was,

VOTED: That \$2,000 be contributed in support of the NAS Symposium on Specifications for Food Ingredients, and the MCA budget be amended therefor.

(c) December Meetings of Board of Directors and Executive Committee In anticipation of lack of need for the Board to meet so soon after the November 25th meeting, Chairman Kane announced cancellation of the meeting scheduled for December 10, 1974, with the understanding that the Executive Committee will meet then if circumstances require it.

(d) Appointment of Committee Members Appointments were approved as listed in Exhibit B, attached.

(e) Data Bank on Chemical Toxicology At Chairman Kane's request, Mr. St. Clair reported briefly on the consideration currently being given by a subcommittee of the Executive Committee -- Mr. St. Clair, chairman, and Messrs. Affleck, Anderson, Barnes, and Hanley -- to the development of a centralized source of information on the toxicology and related properties of chemicals. One idea put forward by a group of chemical companies is the creation of a chemical industry institute on toxicology. The subcommittee is evaluating various concepts, including what role MCA might have, and will submit recommendations in the near future.

VI. REPORT BY DIRECTOR OF GOVERNMENT RELATIONS

Mr. Stover's report is attached as Exhibit C. In his oral remarks, Mr. Stover amplified on the arrangements for the Chemical Forum luncheons, today and on November 11.

V. REPORTS OF COMMITTEES

Reports presented by the following committee chairmen are attached as indicated:

Mr. Everett H. Bellows Government Relations Committee	Exhibit D
Mr. Robert H. Blaker Technical Information Retrieval Committee	Exhibit E
Mr. Fletcher L. Byrom Economic Policy Review Committee	Exhibit F

VI. REPORT OF THE PRESIDENT

Mr. Driver's report is attached as Exhibit G.

Mr. Driver commented on the scheduled October 10th meeting with Commerce Secretary Dent and Federal Energy Administrator Sawhill to which the chief executives of some 30 chemical companies have been invited. The purpose is to discuss a voluntary approach to energy conservation, hoping to arrive at a goal for percentage reduction of energy use over the period of 1972 to 1980. Prospectively, MCA may serve as the vehicle for collection of data through which progress would be monitored. This is one of a series of meetings with various branches of industry. Discussion brought forth the comment that meeting environmental regulatory requirements tends to consume additional energy, which perhaps should be recognized as an offset to the other energy saving.

Mr. Driver mentioned as well a recent visit with Mr. Glenn Schweitzer of EPA who told of conferring with other government agencies regarding regulation of toxic chemicals, even in the absence of enactment of the Toxic Substances Control Act now pending. First attention will be directed to a selection from among the 50 top-volume chemicals.

In reference to litigation on EPA's effluent guidelines, Mr. Driver reported the recent decision of the District Court in Roanoke to the effect that judicial review of the guidelines should occur in the Court of Appeals, and that MCA member companies have been informed of this decision. This jurisdictional question is also raised in companion litigation

now pending in the U. S. Court of Appeals for the Fourth Circuit; appeal from the District Court opinion also will be taken to that court.

Finally, Mr. Driver spoke of the General Accounting Office's issuance of a report highly critical of the administration of the Occupational Safety and Health Act by the Department of Labor.

George E. Best

George E. Best
Secretary-Treasurer

Certified correct:

Edward R. Kane

Edward R. Kane
Chairman of the Board

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER

October 8, 1974Dollar amounts rounded from tabular details
(\$000)

INCOME & EXPENSE

June 1, 1974 - Sept. 30, 1974 - 4 Months (33%)Percent of
Total Budget

Income - Membership Fees	\$2,015	101.562%
- Other	<u>133</u>	45.085%
	\$2,148	94.252%
Expense - Operations	\$ 584	29.364%
- Projects	<u>95</u>	22.093%
	679	28.070%

ASSETS

(As of Sept. 30, 1974)

Cash	\$ 135	
Investments	3,172	
Miscellaneous	<u>6</u>	
	\$3,313	

CMA 070621

MANUFACTURING CHEMISTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

September 30, 1974

BALANCE SHEET

Assets

Cash

National Savings & Trust - Commerical Account	\$ 126,483	
National Savings & Trust - Payroll Account	6,000	
Imprest Funds	<u>2,800</u>	\$ 135,283

Investments

Bank Certificates of Deposit	\$ 800,000	
Bank Repurchase Agreements	50,000	
U. S. Government Securities	714,682	
U. S. Government Agency Securities	1,302,359	
Corporate Securities	<u>305,300</u>	3,172,341

Deposits

U. S. Government Printing Office	\$ 200	
American Airlines	<u>425</u>	625

Account Receivable

Travel Advances	\$ 1,133	
OCITA	<u>1,492</u>	2,625

Furniture & Equipment

2,158
\$3,313,032

Liabilities & Fund Balances

Liabilities

D. C. Use Tax	\$ 162
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Reserve

Deferred Compensation	95,139
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Fund Balances

Restricted (Schedule I (e))	\$ 436,676	
Unrestricted - From Previous Fiscal Years	\$1,311,801	
- Current Fiscal Year	<u>1,469,254</u>	<u>2,781,055</u>
		<u>3,217,731</u>
		<u>\$3,313,032</u>

INCOME & EXPENSE

INCOME

Membership Dues & Entrance Fees	\$2,014,620
Income from Investments	56,592
Publication Sales	27,806
*(1) Meeting & Special Funds (Schedule I (d))	48,957
Miscellaneous	<u>387</u>
Total Income	<u>\$2,148,362</u>

EXPENSE

Management	\$ 119,713
Technical - General	226,262
Technical - Chemtrec	48,368
Public Relations	128,266
Government Relations	78,346
Information Service	21,107
Office Administration	<u>57,046</u>
Total Expense *(2)	\$ 679,108

Income less Expense \$1,469,254

FOOTNOTES:

*(1) Net Income on Completed Projects

*(2) Total General Program Expense

Fiscal Year 1974-75 Budget Program Expense (above)	\$ 679,108
Expenditures from Project Funds carried over from previous Fiscal Year (Schedule I (c))	<u>2,115</u>
	<u>\$ 681,223</u>

CMA 070622

SCHEDULE I - RESTRICTED FUNDS & MEETING ADVANCES

September 30, 1974

	Balance June 1, 1974 (a)	Current Fiscal Year			Balance September 30, 1974 (e)
		Receipts (b)	Expenditures (c)	Transfers To Income (d)	
<u>Carry-Over of Budgeted Funds</u>					
GR-1 Economic Study	\$ 13,584	\$ -	\$ 2,115	\$ -	\$ 11,469
 <u>Non-Budgeted Funds & Meetings</u>					
Meetings, Workshops & Symposia	\$ 63,974	\$ 21,344	\$ 36,815	\$ 48,957	\$ (454)
Tank Car Mileage Compensation	24,348	-	-	-	24,348
Odor Threshold Determination Fund	-	-	-	-	-
Vinyl Chloride Research - Inhalation	126,564	-	100	-	126,464
Vinyl Chloride Research - Epidemiological	11,361	-	1,000	-	10,361
Vinyl Chloride Research - Dow Studies	-	75,050	-	-	75,050
Phosgene Safety Research	22,142	7,000	442	-	28,700
Fluorocarbons Research	17,890	-	-	-	17,890
Phthalate Esters Research	10,922	-	11	-	10,911
Loss Data Bank Project	-	16,000	-	-	16,000
Patents Monitor	-	2,760	-	-	2,760
Total - Non-Budgeted Funds & Meetings	\$277,201	\$122,154	\$ 38,368	\$ 48,957	\$312,030
 <u>Plastics Group Financial Package</u>	\$ 92,318	\$ 58,770	\$ 37,911	\$ -	\$113,177
 Total	\$383,103	\$180,924	\$ 78,394	\$ 48,957	\$436,676

CMA 070623

September 30, 1974

SCHEDULE II - EXPENSE
BUDGET PROGRAM

Employees (Actual Authorized)	MANAGEMENT		TECHNICAL				PUBLIC RELATIONS		GOV'T RELATIONS		INFO SERVICE		OFFICE ADMIN		TOTAL TO DATE 4 MONTHS	
	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET
	10	10	18	19	7	7	12	12	8	9	3	3	11	11	69	71
OPERATING EXPENSE																
Salaries & Related Expense	\$ 84,614	\$ 85,866	\$114,558	\$119,582	\$ 35,543	\$ 36,413	\$ 67,610	\$ 67,476	\$ 47,520	\$ 50,563	\$ 16,676	\$ 17,146	\$ 40,835	\$ 44,220	\$ 407,356	\$ 421,266
Retirement Plan	-	14,600	-	16,433	-	3,500	-	5,467	-	5,033	-	4,533	-	1,267	-	50,833
Hosp. Ins. & Health Plan	577	871	1,291	2,025	144	216	930	1,297	469	865	216	359	794	987	4,421	6,620
Legal Fees & Expense	14,194	8,833	657	2,000	-	-	-	-	9,348	6,000	-	-	-	-	24,199	16,833
Consultants&Investment Serv.	-	833	-	-	-	-	-	-	-	-	-	-	-	-	-	833
Audit	2,000	833	-	-	-	-	-	-	-	-	-	-	-	-	2,000	833
Rent & Premises Expense	5,169	4,526	9,425	8,297	2,838	2,237	6,209	5,523	4,355	3,811	2,125	1,852	7,112	6,201	37,233	32,447
Taxes & Insurance	2,106	3,055	3,961	5,632	1,758	8,407	3,046	3,505	1,991	2,609	841	951	2,600	3,663	16,303	27,822
Supplies & Gen. Office Exp.	2,196	2,167	6,270	5,600	1,018	1,067	3,358	3,150	2,054	2,333	198	250	2,635	2,333	17,729	16,900
Furniture & Equipment	-	333	-	500	-	483	-	83	-	634	-	33	-	67	-	2,133
Printing	2,964	867	-	333	-	-	1,786	1,250	555	233	-	-	1,365	400	6,670	3,083
Telephone & Telegraph	1,628	1,627	4,112	4,183	6,371	6,371	2,684	2,980	1,866	2,273	473	472	1,897	1,640	19,031	19,546
Postage	1,024	1,000	8,521	7,500	245	333	10,254	13,000	2,230	2,500	179	284	(221)	533	22,232	25,150
Travel & Entertainment	1,411	2,333	6,354	8,667	428	917	6,040	8,333	4,020	3,333	116	367	-	67	18,369	24,017
Meeting Expense	1,017	3,600	115	300	-	-	42	116	26	1,167	-	-	-	-	1,200	5,183
Periodicals, Books, etc.	113	150	336	533	23	117	593	517	3,097	2,833	279	467	4	33	4,445	4,650
Organizational Memberships	550	883	1,115	868	-	33	100	333	815	1,108	4	15	25	27	2,609	3,267
Contingency	150	1,667	-	-	-	-	-	-	-	-	-	-	-	-	150	1,667
Operating Expense Totals	\$119,713	\$134,044	\$156,713	\$182,453	\$ 48,368	\$ 60,094	\$102,652	\$113,030	\$ 78,346	\$ 85,295	\$ 21,107	\$ 26,729	\$ 57,046	\$ 61,438	\$ 583,947	\$ 663,083
PROJECTS																
Technical																
Air Quality			\$ -	\$ 1,667											\$ -	\$ 1,667
Water Resources			15,350	15,333											15,350	15,333
Multi-Committee-Transportation			814	900											814	900
Multi-Committee-Publications			13,383	24,000											13,383	24,000
Trade Advisor			40,000	43,333											40,000	43,333
Public Relations																
Community Relations							\$ 3,133	\$ 6,417							3,133	6,417
Consumer Information							3,139	8,333							3,139	8,333
Environmental Quality							7,747	12,100							7,747	12,100
Internal Publications							1,789	13,666							1,789	13,666
Media Relations							4,357	5,900							4,357	5,900
Academic - Industry Study							30	250							30	250
College & Hi School Teacher Awards							1,323	4,767							1,323	4,767
Education Exhibits							302	1,333							302	1,333
Education Publications							3,794	5,000							3,794	5,000
Information Service																
Chemical Statistics Series											\$ -	\$ 383			-	383
Project Totals	\$ -	\$ -	\$ 69,547	\$ 85,233	\$ -	\$ -	\$ 25,614	\$ 57,766	\$ -	\$ -	\$ -	\$ 383	\$ -	\$ -	\$ 95,161	\$ 143,382
COMBINED TOTALS	\$119,713	\$134,044	\$226,262	\$267,686	\$ 48,368	\$ 60,094	\$128,266	\$170,796	\$ 78,346	\$ 85,295	\$ 21,107	\$ 27,112	\$ 57,046	\$ 61,438	\$ 679,108	\$ 806,465

CMA 070624

EXHIBIT B

COMMITTEE MEMBER APPOINTMENTS

- (a) Industrial Relations Advisory Committee
Donald G. Raider, Exxon Chemical Company U. S. A.
- (b) International Trade Committee
George D. Heaton, Shell Chemical Company
- (c) Occupational Health Committee
John Bolton, Stauffer Chemical Company
R. D. Fulwiler, The Procter & Gamble Company
James W. Hammond, Exxon Chemical, U. S. A.
Stanton C. Kelton, Rohm and Haas Company
Edward J. Kerfoot, BASF Wyandotte Corporation
- (d) Safety and Fire Protection Committee
Russell L. Miller, Monsanto Company
Herman Waltemate, B. F. Goodrich Chemical Company
- (f) Water Resources Committee
A. J. Diglio, Air Products and Chemicals, Inc.
John H. Mahon, Calgon Corporation

REPORT BY THE DIRECTOR OF GOVERNMENT RELATIONS

WILLIAM M. STOVER

OCTOBER 8, 1974

ECONOMIC TROUBLES WILL AFFECT POLLUTION ABATEMENT PROGRAMS

Environmental groups are genuinely concerned that the nation's current economic problems will result in a major slowdown of pollution abatement programs. They see a prolonged economic slump as seriously weakening public support for continued expenditures for environmental control. To many in the environmental movement there are signs that pocketbook issues are already getting higher priority.

President Ford, for example, has recently sought to defer spending of some \$9 billion in grants to states for waste treatment plant construction. The Federal Water Pollution Control Act authorizes \$18 billion for this purpose, only half of which has been allotted, and the President now contends that spending the remainder would be inflationary. (As a follow-on to its impoundment battles with President Nixon, Congress last July enacted a new law requiring the President to furnish notification of his intent to defer or rescind spending. In order to require that the funds be spent, either house of Congress must enact a resolution to that effect.)

There are other signs. Transportation Secretary Brinegar recently endorsed in principle the thinking of leaders in the transportation industry that environmental control laws need re-examination in light of the economic situation and the energy crunch.

Some labor spokesmen are also taking a new, hard look at environmental programs. A senior vice president of the United Transport Union, George Lechner, recently was quoted as saying "environmental goals should be secondary to human needs during these hard times".

Other signals are coming from Capitol Hill. A bill was recently approved by the House Appropriations Committee halting EPA authority to raise the price of urban parking as a means of discouraging commuters from driving to work. The bill also orders EPA to avoid actions that might result in raising the cost of food or electric power, such as banning pesticides or requiring emission clean-up by electric power companies.

The erosion of public support for environmental programs has drawn a direct response from both Environmental Protection Agency Administrator Russell B. Train and Russell W. Peterson, Chairman of the Council on Environmental Quality. In an October 4 speech to a New York audience, Mr. Train affirmed that environmental clean-up cannot be blamed for rising inflationary pressures. He urged that abatement spending be continued since its benefits far outweigh costs. He cited one study predicting that environmental spending would produce an annual inflation rate of only about 3/10 of one percent for the 1973 to 1978 period. Train also made reference to other statistics which he claimed demonstrated that the environmental program was responsible for less than 0.5 percent of the 17 percent increase in the wholesale price index for the year ending last March.

CEQ Chairman Peterson emerged from a recent meeting with President Ford expressing confidence that the President will be "an effective leader in finding the appropriate balance between economic and environmental concerns". Peterson also referred to CEQ's "half and half plan" which is aimed at supplying half of the nation's energy requirements from new sources and the other half from conservation efforts. He emphasized that CEQ has made strong efforts to collect and develop specific data on the economic impact of pollution control. He stressed the importance of his personal meeting, and that of Administrator Train, with President Ford. He said that such a face-to-face exchange never took place with former President Nixon, and that he considers himself Mr. Ford's adviser on environmental issues within the White House. Peterson also made reference to the keen interest exhibited by Vice President-designate Rockefeller, and was confident that the former New York Governor would continue to have an impact in environmental policy.

It is becoming increasingly clear that re-examination of environmental programs will be a key issue in the 94th Congress. The nation's economic posture, as well as the strengths and weaknesses of the laws themselves, will have important effects on the outcome.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION TO BE CREATED

Both the House and Senate have passed bills dealing with research and development activities in the energy field. The bills are presently in conference and despite a somewhat confusing legislative situation it is likely that some form of new law will be enacted this year. Presently, the conferees face two major questions: (1) determining the exact shape of the new consolidated agency which will direct energy R&D; and (2) the establishment of basic policy to assure that ERDA follows Congressional wishes and avoids domination by nuclear interests.

It appears likely that the conferees will recommend a new Energy Research and Development Administration to take over all of the Atomic Energy Commission's functions, with the exception of licensing and regulation of nuclear power. ERDA would also take over energy R&D functions from other agencies such as the Interior Department's Office of Coal Research, the fossil fuel programs of the Bureau of Mines, and others. Licensing and regulation of nuclear power would be handled separately by another new agency.

The source of confusion in the policy area is the fact that both House and Senate have also passed separate bills establishing a \$20 billion, ten-year program for ERDA. These bills, too, are awaiting conference action. It now appears likely that the measures will emerge from conference as two separate bills, one establishing ERDA, and the second setting forth policy determinations. The ERDA Administrator will be directed to give priority to energy conservation and the development of a wide range of energy sources under detailed program guidelines. Various forms of Federal assistance will probably be authorized, including contracts, grants, loans, Federal purchases for price supports of products from demonstration plants, incentives to inventors, and joint Federal-industry corporations.

ELECTION REFORM LAW NEARS ENACTMENT

A sweeping election reform law is moving toward the President's desk after House and Senate conferees dropped the bill's most controversial provision, one which would have financed Congressional campaigns from the public treasury. The bill is aimed at reducing the influence of big money contributors and provides a new system of government subsidies up to \$20 million for each major party Presidential candidate.

of sales on salaries and services represented in corporate information-retrieval facilities, libraries, special information services, etc. This probably means that in aggregate the chemical industry spends in excess of \$50 million on corporate information-retrieval facilities. Our questionnaire also shows that the people involved in this work have usually administratively reported to various divisions or administrative site managers or service managers scattered throughout the corporation, and there is rarely any small group or individual who can speak for the corporation as a whole. This leads, we believe, to a situation where a large information retrieval service which requires back-up use of computers and trained analysts is usually too expensive a project to be seriously considered by the corporate representative contacted by the vendor of such a service. Usually, it appears, there is no mechanism within most companies for librarians, heads of information services in research or in legal departments or whatever, to get together and decide what is best for the corporation--or no mechanism to figure out how to share the cost of a large service, once purchased, through the various groups which might be interested within the corporation. The net result is that the vendor finds it difficult to sell enough copies of this product in order to make money, and consequently, if this situation maintains, vendors will not in the future seriously consider developing significant information services for sale.

There may be no easy solution to this problem, but I believe the matter seriously merits your consideration. It certainly follows that if vendors of significant information services are unable to make sufficient money to stay in business by selling subscriptions to their services to a reasonable number of chemical companies, the chemical industry will end up the loser. It will be deprived of improvements of information retrieval techniques which could in this way be acquired at reasonable prices but which would be prohibitively expensive for each of the companies to develop individually, or, for that matter, for MCA as a trade association to undertake the development.

MCA
BD- 10/8/74

CMA 070629

- A six-member enforcement commission is established, consisting of two members appointed by the Senate, two by the House and two by the President, all to be full-time members and subject to confirmation by the House and Senate.

NOVEMBER 11 CHEMICAL FORUM FEATURES NOTED VOTING ANALYST

On Monday, November 11, six days after the Congressional elections, the MCA Chemical Forum will be addressed by one of the nation's leading authorities on voting patterns and trends, Mr. Richard M. Scammon. Presently a voting analysis consultant to NBC, Mr. Scammon is a former Director of the Census and now heads the Elections Research Center in Washington, D. C. He has written and edited a number of authoritative works on the voting process and political trends in the U. S., the most well-known being "The Real Majority", which he co-authored in 1970.

In 1958, Scammon was Chairman of the U. S. Delegation observing elections in the USSR, and in 1963 he headed the President's Commission on Registration and Voting Participation. He was also U. S. member of the OAS Technical Electoral Mission to the Dominican Republic, and later headed the U. S. Select Commission on Western Hemisphere Immigration. In 1973, Mr. Scammon was a member of the U. S. delegation to the General Assembly of the United Nations.

His November 11 appearance as our guest will provide an excellent opportunity for Mr. Scammon to offer his analysis of Congressional election results, including his view of how the newly-chosen legislators will affect decisions made in Washington in 1975.

The Chemical Forum begins at noon in The Madison Hotel, 15th and M Streets, N. W., Washington, D. C. Guests are welcome.

MCA Government Relations Committee Report
to the Board of Directors
October 8, 1974
Everett H. Bellows, Chairman

I. Organization for 1974-75 Completed in August

- A. Executive Committee and eight strategy subcommittee assignments for 1974-75. Chairmen of strategy subcommittees will also serve as liaison representatives to the technical or function committees in the assigned area. Additionally, we have designated seven liaison representatives to MCA committees where no parallel strategy subcommittee was needed.
- B. Five Chemical Forums have been set for the year and speakers arranged for the first two.

II. Program Highlights

- A. Legislative: Members of the Government Relations Committee will be closely concerned with these continuing issues which will carry over into the 94th Congress:
 - 1. Toxic Substances. This legislation has been locked in conference for the past year. Senator Mansfield has stated publicly that no further action will be taken in this session.
 - 2. Solid Waste Management. Although Senator Randolph (D.-W.Va.) wants a comprehensive bill, there will not be time to complete it in this session. We must make every effort in '75 to limit governmental intervention into manufacturing processes.

3. Clean Air Act. Corrective amendments are badly needed, particularly on the subject of nondegradation, but Senator Muskie has steadfastly opposed any changes. (Our best hope is that Muskie will drop his position on the Public Works Committee now that he has become Chairman of the newly established Budget Committee in the Senate.)
4. Federal Water Pollution Control Act. Here again corrective measures are badly needed, particularly in the area of EPA's jurisdiction over hazardous substances and in the provision for extremely punitive damages if spills occur in navigable waters. Probably no adequate action will be possible before the National Commission on Water Quality reports in October, '75.
5. Extension of Controls on Petroleum. An extension of four to six months beyond February '75 is almost certain; the problem will be to foreclose extension for a much longer period of time.
6. Additionally, there will be both direct and indirect legislative efforts to restrict or control multinational corporations, foreign source income, and alleged industrial concentration. Symptomatic of these Congressional attitudes and assumptions is this quote from the Joint Economic Committee's Interim Report on inflation: After listing world-wide factors, the report goes on to say, "However, even these extraordinary factors do not explain why wholesale industrial prices have risen at an annual rate of 35 percent in the past three months; why iron and steel prices are up 44 percent in the past year, nonferrous metals 45 percent, industrial chemicals 62 percent . . . (this) appears to be unexplainable except in terms of the ability of concentrated industries to resist competitive forces and to achieve a target return on investment in good times and bad."

For the remainder of this Session, the Congressional leadership hopes to settle three issues: The Trade Bill, so-called Tax Reform and National Health Insurance. My personal judgement is that only the Trade Bill will pass and this too is "chancy;" more probably all three will be back on the agenda in 1975.

B. Regulatory: Lacking corrective legislation, we will be especially concerned with:

1. EPA's regulatory and standard-setting actions under the Water Pollution Control Act: designation of hazardous substances (Section 307), the setting of penalties for spills (Section 311) and in general the arbitrary and inflexible character of effluent standards.
2. OSHA's elaboration of health and safety standards, notably at the moment with regard to Vinyl Chloride.

III. Summary Comment on the Washington Scene

For the Chemical Industry, as for any business group, the key to effectiveness in working with the Congress is an understanding of the Committee system and a recognition that to get realistic and practicable law we have to provide hard facts and case histories to senior Committee members and to the staff of those Committees.

Unfortunately, the number of Committee Chairmen who hold at least moderately conservative views is declining - which means we must work harder at presenting demonstrably convincing testimony. Arguments based on philosophical positions will have little effect.

REPORT TO THE BOARD OF DIRECTORS OF
MANUFACTURING CHEMISTS ASSOCIATION BY
DR. ROBERT H. BLAKER, CHAIRMAN
TECHNICAL INFORMATION RETRIEVAL COMMITTEE
OCTOBER 8, 1974

The Technical Information Retrieval Committee came into existence just two years ago. As the first Chairman of this new Committee, I would like to review for you our activities.

The basic purposes of this Committee, as approved by the Board of Directors, are to analyze services offered by suppliers of technical information and to suggest improvements, to encourage research and development in the area of information retrieval, and to act as a forum for interchange of information relative to retrieval for similar groups in this country and abroad.

We have established working relationships with the major suppliers of information of interest to our Committee. We have working subcommittees with responsibility of working with the U.S. Patent Office; Chemical Abstracts Service of the American Chemical Society; Derwent Publications Ltd., London; and IFI/Plenum Data Corporation. The management of each of these organizations expressed interest in working with our subcommittees. In addition, we have established a technical subcommittee to do a limited amount of research in the area of information retrieval.

The major accomplishments we can point to thus far are as follows:

We have been instrumental in convincing IFI/Plenum Data Corporation to offer a greatly improved method of computer retrieval of information from U.S. patents.

We were also instrumental in Derwent Publications' decision to make significant improvements in its procedures for indexing the information contained in non-U.S. chemical patents.

Currently, we are involved in a project to monitor the Derwent coverage of Japanese chemical patents, because it has come to our attention that Derwent is apparently not covering all of the significant chemical patents which are currently issuing in Japan. Since we could not get a clear statement from Derwent of its plans in this area, the

Committee is underwriting the cost of having a Japanese documentation firm monitor the Derwent coverage for a period of six months. The information so gained will be used in future negotiations with Derwent.

Our Subcommittee for Relations with Chemical Abstracts Service has been acting as a forum to funnel constructive suggestions concerning abstracting of chemical articles accumulated from member companies to Columbus for consideration. In addition, we have undertaken one major project which is to convince Chemical Abstracts Service to make available in this country in hard copy or on microfilm all of the articles which are cited by its services. Currently, libraries spend a significant amount of time attempting to locate a small percentage of articles cited, because in some cases, the full text of the article is not available in this country.

Our technical subcommittee has been working with the Classification Section of the U.S. Patent Office and suggesting improvements in the way polymer patents are classified. The Committee is gratified in that it has apparently made some impact on the bureaucracy of the U.S. Patent Office.

We have quite recently established a new subcommittee to work with the major vendors of on-line computer-retrieval services: System Development Corporation, Lockheed, and Tymshare Inc.

We have established a working relationship with the Patent Documentation Group located in Switzerland. This organization is an association of seventeen European chemical companies incorporated under the laws of Switzerland with purposes similar to the charter of our Committee. We are currently exchanging information with PDG relative to the completeness of Derwent coverage of non-U.S. patents. Our contribution will be the information relative to Derwent coverage of Japanese patents mentioned earlier.

Our immediate plans for the future are to continue to strengthen our working subcommittees in making constructive suggestions to the vendors of information services. We feel strongly that this is the best way the American chemical industry can successfully cope with "the information explosion." I would say that the information explosion is not so much explosion in the amount of valuable information as it is in the great proliferation of documents, some of which contain valuable information. Our Committee feels strongly that it is desirable for individual chemical companies to be able to buy retrieval services rather than to create services, each on its own account.

For the remainder of my time this morning, I would like to discuss with you a major problem which faces vendors of large information retrieval services. The problem is basically this:

Many companies appear to be reluctant to purchase subscriptions to new and improved information-retrieval services when the cost is more than a few thousand dollars. Let me give you an example: Our Committee and its immediate predecessor, the Ad Hoc Committee which was established in 1971, were instrumental in convincing IFI/Plenum Data Corporation to spend several hundred thousand dollars to improve its methods for retrieving the information from U.S. chemical patents. The idea behind our action was that it would make sense for chemical companies to be able to buy subscriptions thereby sharing the cost of building a large system, rather than for each company to set up its own system for retrieving this information; or, alternatively, for the Manufacturing Chemists Association to set up a Patent Data Bank (which was a proposal discussed by the Executive Committee in March, 1970, which led to the Ad Hoc Committee and, subsequently, to the formation of this Committee). Thus far, IFI/Plenum Data Corporation has been able to sell only five subscriptions to MCA-member companies. The subscription price is \$25,000 for a system providing access to approximately 350,000 U.S. chemical patents issued since 1950, with an annual update cost of approximately \$20,000 to cover the annual updating of the file for the 20,000-25,000 patents. Fortunately, IFI/Plenum has been able to sell sufficient subscriptions to the petroleum and pharmaceutical companies to gain sufficient income to keep their system going. Currently, they have fourteen subscribers, five of which, as I stated earlier, are from chemical companies.

The question of why the chemical companies have not purchased this file, which at current prices would cost about \$6 million to reproduce, for a subscription of \$25,000 has been a subject of considerable discussion in our Committee. I think you may be interested in our conclusion:

Generally, technical information facilities in most companies are so decentralized that there is rarely one individual or a group who can speak for the entire corporation. Our Committee has conducted a survey and determined, among other things, that the average company represented on our Committee spends on the general order of .10 percent

of sales on salaries and services represented in corporate information retrieval facilities, libraries, special information services, etc. This probably means that in aggregate the chemical industry spends in excess of \$50 million on corporate information-retrieval facilities. Our questionnaire also shows that the people involved in this work have usually administratively reported to various divisions or administrative site managers or service managers scattered throughout the corporation, and there is rarely any small group or individual who can speak for the corporation as a whole. This leads, we believe, to a situation where a large information retrieval service which requires back-up use of computers and trained analysts is usually too expensive a project to be seriously considered by the corporate representative contacted by the vendor of such a service. Usually, it appears, there is no mechanism within most companies for librarians, heads of information services in research or in legal departments or whatever, to get together and decide what is best for the corporation--or no mechanism to figure out how to share the cost of a large service, once purchased, through the various groups which might be interested within the corporation. The net result is that the vendor finds it difficult to sell enough copies of this product in order to make money, and consequently, if this situation maintains, vendors will not in the future seriously consider developing significant information services for sale.

There may be no easy solution to this problem, but I believe the matter seriously merits your consideration. It certainly follows that if vendors of significant information services are unable to make sufficient money to stay in business by selling subscriptions to their services to a reasonable number of chemical companies, the chemical industry will end up the loser. It will be deprived of improvements of information retrieval techniques which could in this way be acquired at reasonable prices but which would be prohibitively expensive for each of the companies to develop individually, or, for that matter, for MCA as a trade association to undertake the development.

MCA
BD- 10/8/74

CMA 070637

EXHIBIT F

MCA Economic Policy Review Committee Report
to the Board of Directors
October 8, 1974
Fletcher L. Byrom, Chairman

The Economic Policy Review Committee is one of the newer MCA committees, having been established in January 1972. Its activities during the past year and its continuing concerns are as follows:

1. The Energy Problem

Pursuant to the instructions of the MCA Board of Directors at its November 1973 meeting, a task force of the Committee prepared a statement on "The Energy Crisis and the Chemical Industry." It was adopted by MCA, issued in December 1973, and widely distributed. Subsequently, the Committee recommended that "MCA support measures which operate to expand the supply of essential fuels and feedstocks, both short and long-term, and oppose legislative and governmental price and other restraints which tend to restrict such supply, again both in the short and the long term." The Committee also recommended that "MCA oppose legislative and governmental measures which tend to impair the profitability of industry." Both recommendations were adopted by the MCA Board of Directors at its June 1974 meeting and have functioned as guidelines for the MCA staff ever since.

MCA has cooperated with the Federal Energy Administration in its activities, particularly its planning for Project Independence. MCA President William J. Driver is testifying at the Project Independence hearing on energy conservation at San Francisco, October 9.

2. Wage-Price Policy

When this Committee last reported to the Board of Directors on November 19, 1973, the wage-price control program of the Nixon Administration was still in force. MCA had presented a petition to Cost of Living Council Director Dr. John Dunlop urging the termination of wage-price controls or, failing that, the exemption of the chemical industry from them.

Subsequently, and as a follow-up to the petition, MCA leaders met with top officials of the Cost of Living Council to further explore the possibilities. As a result of this and subsequent MCA contacts with Council officials, a substantial portion of the

industry was de-controlled at the end of January 1974. Other portions of the industry were subsequently de-controlled, and all wage and price controls expired at the end of April. The Congress was at that time unwilling, in view of the opposition both of the business community and of organized labor, to extend them in any form, however limited.

The onset of double-digit inflation has, however, had an impact upon public opinion and upon Congressional and Administration attitudes. As one of his first actions, President Ford asked for and received from Congress the establishment of a Council on Wage and Price Stability. The Council has no enforcement authority, and the President has declared his firm opposition to any revival of wage and price controls. The Economic Policy Review Committee will continue to monitor developments in this area, and - - when appropriate - - make recommendations for action in the public interest and in the interest of our industry.

3. International Economic Policy

A continuing concern of the Committee, and of its task force on international economic policy, has been the defense of multinational corporations against the attacks being made upon them in a wide range of national and international forums. Of these, the most important appear to be the United Nations, the International Labor Organization (ILO), and the Senate Subcommittee on Multinational Corporations, chaired by Senator Church.

Under the aegis of the United Nations, a "Group of Eminent Persons", including two Americans (Senator Jacob Javits and Mr. J. Irwin Miller), held hearings in New York and Geneva, and published a report in June 1974 entitled "The Impact of Multinational Corporations on Development and on International Relations." In detail and in spirit, this report was considered by the American business community to be both unrealistic and unsympathetic to legitimate business interests. In August 1974 the UN Economic and Social Council approved the report "in principle" and also approved, as recommended in the report, the establishment in the UN of an information and research center on multinational corporations. The Committee will monitor further developments in this area.

The International Labor Organization is currently engaged in a study of the social impact of multinational corporations. Developments in this area are being monitored by the MCA Industrial Relations Advisory Committee, largely through the U. S. Chamber of Commerce, which represents the American business

community at the ILO.

Senator Church's Subcommittee has focussed so far on the roles of the ITT in Chile and of the oil companies in the Middle East. However, its interests are much broader, and we must be prepared for future Subcommittee initiatives more directly affecting multinational chemical companies.

As its contribution to public education, the Committee prepared and MCA published a pamphlet, "Multinational Chemical Companies - a Positive Economic Force for the Nation." It has been widely distributed (reaching, for example, all Senators and Congressmen) and well received.

4. The Hart Industrial Reorganization Bill (S. 1167)

Senator Hart's Industrial Reorganization bill is intended to facilitate the splitting of companies in a number of named industries into smaller units, provided that certain arbitrary measures indicate the existence of economic concentration in the given industry. The chemical industry is one of those listed as possible targets. The Committee Secretary has monitored the hearings held so far by Senator Hart, which to date have covered the automobile industry (especially General Motors), A.T&T., I.B.M., and certain aspects of the oil industry.

MCA has engaged an economic consultant, Professor Steven Lustgarten of Baruch College, City University of New York, to prepare the chemical industry's case. Professor Lustgarten is making good progress with his study, and is expected to complete it by the end of the year.

5. Federal Land Use Policy Legislation

The Committee has been monitoring the progress of land use policy legislation in the Congress, without so far recommending a position to MCA. The legislation has died in this Congress, but is expected to be revived next year.

STAFF REPORT

by

William J. Driver

October 8, 1974

The House Ways and Means Committee resumed consideration of tax reform legislation when the House returned from its Labor Day recess on September 11.

The committee chairman, Rep. Wilbur Mills (D-Ark.), has stated that he hopes to get a tax reform bill passed by the House in time to permit the Senate to act on it this year. However, Senate Finance Committee Chairman Russell B. Long (D-La.) has said that he does not believe there would be enough time in the remainder of the 93rd Congress to get the bill through the Senate. He indicated that his committee would want to take a close look at any House-passed tax reform bill and would not be pushed into rubber-stamping any such measure.

On the basis of tentative decisions reached earlier by the Ways and Means Committee, the tax reform measure would reduce tax receipts from individuals by about two billion dollars by increasing standard deductions and increasing low income allowances and by miscellaneous deductions. To partially offset this revenue loss, corporate taxes would be increased by a total of about \$300 million by ending certain business deductions, limiting foreign income tax exclusion, altering tax laws related to "preference income" and restricting the use of the Domestic International Sales Corporation to exports of manufactured products that are not in short supply.

The committee has completed its review of tentative decisions and is expected to take final action in early October. It is expected that the bill will include provisions of an energy tax bill approved by the committee last spring.

* * *

STAFF REPORT October 8, 1974 page two

The progress of the Trade Reform Act of 1973, H. R. 10710, through the Congress appears snagged once again on the issue in Title IV of granting credits and most-favored-nation trade treatment to the Communist nations.

Senator Henry Jackson (D-Wash.), in his amendment to Title IV, ties liberalized trade with the Soviets to their emigration policies, and his supporters are now faced with finding some suitable form of assurances from the Soviets so that they can accept the bill without the amendment.

Discussions between the Administration and the Jackson group have centered on a possible exchange of correspondence between Senator Jackson and Secretary of State Henry Kissinger without the correspondence being released to the general public. Some advocates of the Jackson amendment question the adequacy of this procedure. How to meet their objections without forcing the Soviets into public admissions is as yet undecided, and Senator Long, Finance Committee Chairman, does not intend to push the legislation so long as this controversy continues.

* * *

Congress is expected to continue working on solid waste legislation during the remaining weeks of the 93rd Congress. On August 5, the House passed a simple two-year extension of the Solid Waste Disposal Act of 1965. The measure called for a continuation of existing authorizations for EPA demonstration programs in waste management, disposal and resource recovery.

On the Senate side, the Public Works Committee is giving serious consideration to substantive revisions of solid waste law. Following several days of hearings, in which MCA companies took an active role, the committee staff is now drafting legislation. Chairman Jennings Randolph (D-W.Va.) has shown a keen interest in this subject, but most observers doubt that comprehensive amendments to the law can be enacted this year. Any formal action by the committee must be regarded as significant, however, since it would tend to establish a precedent.

* * *

CMA 070642

STAFF REPORT October 8, 1974 page three

I will testify on Project Independence at a hearing being held by the Federal Energy Administration October 7-10 in San Francisco. The subject is energy conservation, and MCA is setting forth what the chemical industry is doing in this regard and its recommendations for energy conservation generally.

The San Francisco hearing is one of a series being held throughout the country to assist the Federal Energy Administration in drawing a blueprint for Project Independence.

* * *

Recent weeks have produced no significant movement toward enactment of the toxic substances control bill, which remains in conference. The conferees last met on August 19 without scheduling further meetings. Staff members of the committees have met twice, however, and discussed the key points of disagreement: premarket screening and the relationship of a new law to existing environmental laws.

In both of these areas, MCA continues to favor the more selective and carefully drawn approach of the House bill.

With the post-election Congressional session providing additional working time, the possibility still remains that an agreement can be reached and a toxic substances control act can be enacted this year.

* * *

On September 2 President Ford signed Public Law 93-406, the "Employee Retirement Income Security Act," a pension reform measure approved by the House and Senate in late August just before the Labor Day Congressional recess. The law is one of the most complex pieces of legislation to emerge from the Congress and will affect the vast majority of company pension plans.

While this law does not require companies to establish pension plans, if a firm does operate one, or is planning to establish one, it will have to follow specific federal standards. Generally, all employees 25 and over with one year of service will be eligible to participate in a company plan. The employer can choose one of three alternative vesting formulas that guarantee an employee at least part of his pension benefits after he has served for a certain period of time, whether or not he continues to work for the

CMA 070643

STAFF REPORT October 8, 1974 page four

company until retirement.

To ensure that pension funds will contain enough money to pay out benefits, P.L. 93-406 specifies minimum funding standards and establishes a federally run pension plan termination insurance corporation to guarantee payment of benefits in the event of a bankruptcy.

Under the new law, pension plans generally may not provide annual benefits which exceed the lesser of \$75,000 or 100 percent of the employee's average pay in his best three years.

The new law requires the administrator of a pension plan to file detailed reports on various aspects of the plan with the Secretary of Labor, the Secretary of the Treasury and the Pension Benefit Guaranty Corporation. The reporting requirements are expected to be particularly burdensome to small companies.

* * *

The loss data bank, which was authorized as a pilot project by the Board in June, is about to begin operation. The McDonnell Douglas Automation Company, retained to conduct the computer analysis, is ready to receive data on the loss incidents experienced by the seven participating MCA member companies. Inquiry forms are now in the hands of the participants for use as incidents occur. Fire, explosion and natural disaster incidents incurring losses of more than \$5,000 and occurring on or after September 1, 1974, will be analyzed. Reports summarizing the findings will be prepared and disseminated quarterly.

* * *

On the recommendation of the International Trade Committee, an Intercommittee Task Group on Multinational Company Operations is being formed, with representatives from the following MCA committees: Economic Policy Review, Government Relations, International Trade, Legal Advisory, Public Relations and Tax Policy.

The function of the group is to keep close watch over all activities, domestic or foreign, having potential impact on the international corporate subsidiaries of United States companies. The group will develop recommendations

CMA 070644

STAFF REPORT October 8, 1974 page five

for actions by MCA and see to their execution if approved. The group will function for a period of two years, or longer if conditions warrant.

* * *

Fluorocarbons -- used primarily as aerosol propellants and refrigerants -- have come under increasing scientific study and have been cited as a possible threat to the atmosphere.

At a recent American Chemical Society national meeting, Dr. F. Sherwood Rowland, of the University of California, Irvine, theorized that if fluorocarbons continue to collect in the atmosphere at present levels, in 50 years the ozone level in the stratosphere would be lessened by 10 percent, posing the possibility of more ultraviolet radiation and a great increase in skin cancer and that other effects, such as biological and climatic, cannot yet be calculated.

Dr. John Swinnerton of the Naval Research Laboratory stated that measurements taken by NRL scientists aboard ships and aircraft have shown that fluorocarbons are present around the globe, not only over populated and industrialized countries, but also over remote areas.

MCA announced in August that it is planning extensions of three fluorocarbon research projects it administers on behalf of a group of fluorocarbon manufacturers. The project researchers thus far conclude that there are no indications of chemical changes taking place in the common fluorocarbons at lower altitudes or no experimental evidence of harmful environmental effects.

* * *

MCA has endorsed the "three zone" concept of air quality in its comments to EPA on the August 27 proposals for rules to prevent "significant deterioration of air quality" in presently clean air regions.

The "three zone" concept provides that regions to be preserved as recreational or primitive areas be given special protection (Zone I), and that areas required for the exploitation of essential natural resources be permitted greater latitude in allowable industrial emissions than

CMA 070645

STAFF REPORT October 8, 1974 page six

would be the case for other clean areas to which these factors are not applicable (Zone III). Zone II areas fall in between, where no special considerations are involved. The intention in these areas is neither to restrict growth entirely, nor to permit contamination up to levels set by federal ambient air quality standards. The rights of the states to decide which areas would be classified as Zones I, II or III are specifically protected.

In a September 24th letter to EPA's Office of Air Quality Planning and Standards, I stated, however, that the proposed rules are deficient in that they mandate the administrator initially to classify all areas as Zone II, thereby limiting the states to reclassifying selected areas as Zones I or III. I asked that the states be accorded the right of initial designation of area classifications, and that they be required to do so for only those regions that, in fact, now have air of quality better than that required to meet federal standards. I also noted that proposed administrative procedures, even for Zone III areas, are too cumbersome and unnecessarily restrictive for urban and industrialized regions.

Additionally, the letter offered clarifying language changes, including some to ensure that entire regions need not be penalized for contaminant concentration transients that are insignificant in either extent of area involved or duration.

* * *

MCA has reiterated its position to EPA that it is absolutely necessary to retain flexibility in any variance clause to be included in effluent guidelines.

The statement came in answer to an invitation of EPA for comments after complaints to EPA that proposed regulations defining effluent levels do not sufficiently account for significant variations within each industrial category.

In the comments submitted September 26, MCA further emphasized that chemical manufacturing complexes present variables that cannot properly be taken into account in any rational assignment of a finite number for nationwide uniform application.

* * *

CMA 070646

STAFF REPORT October 8, 1974 page seven

EPA on September 20 published proposed rules for 11 additional product subcategories in the plastics and synthetics industry. The proposed effluent limitations and guidelines for existing sources and standards of performance and pretreatment standards for new sources are open for public comments received by October 21.

Phase 2 regulations for the organic chemicals and inorganic chemicals manufacturing are expected to be published by mid-October.

* * *

MCA filed comments September 25 on two dockets of the DOT Hazardous Materials Regulations Board.

HM-103 proposes a Hazard Information (HI) System based on the Transportation Hazard Information (THI) System that MCA presented to DOT on December 18, 1968. MCA supported adoption of the HI System and recommended modifying a number of proposed amendments to the implementing regulations.

HM-112 is a proposed consolidation of the regulations for the transportation of hazardous materials by air, water rail and highway. MCA has advocated consolidation since DOT was established in 1967 and supported adoption of the present proposal.

Both dockets HM-103 and HM-112 contain a large number of specific proposals, some of which are controversial and should be further considered. Therefore MCA recommended certain of these specific proposals be withdrawn and made subject to a separate proceeding. These actions will not interfere with implementation of the basic proposals of these dockets.

* * *

MCA is opposing regulations dealing with the transportation of hazardous materials proposed by two Illinois agencies.

CMA 070647

STAFF REPORT October 8, 1974 page eight

The Illinois EPA has proposed regulations governing the transportation and storage of toxic materials in and through Illinois. Dwight E. Long, manager of transportation, Velsicol Chemical Corporation, appeared September 24 at a hearing in Moline on behalf of MCA to suggest that the regulations concerning storage be separated from those dealing with transportation. Regarding transportation, all hazardous substances are regulated at the federal level and MCA supports uniform national regulations wherever possible.

MCA also suggested that the proposal to regulate all materials on the HEW toxic substances list unnecessarily broadens the scope of the materials to be regulated. A more limited and definitive definition of toxic substances was suggested. In addition, MCA pointed out that the regulations as proposed contain no appeal procedures nor any assurance that confidentiality will be protected.

MCA has continued to oppose provisions of the Illinois Commerce Commission that would impose extremely restrictive and disruptive regulations on all rail transport of hazardous materials in the state. Companies in Illinois rely on the transportation of many materials classified as hazardous for their energy and raw material needs, and industries both in and outside Illinois would be affected by the provisions of the Commission's General Order No. 200. MCA urged the Commission to abandon the proceeding and instead initiate a review of existing federal regulations. Conditions in Illinois do not differ substantially from those found in adjacent states and it would, therefore, be more appropriate to consider this subject in a national forum.

* * *

MCA's Chemical Transportation Emergency Center (CHEMTREC) completed three years September 5.

The number of calls coming into CHEMTREC has continued to grow, with a sharp increase coming in the past few months. There were 2,501 calls in June, July and August compared to 1,826 for the previous three months.

CMA 070648

STAFF REPORT October 8, 1974 page nine

In its three years of operation, CHEMTREC has received a total of 19,671 calls, of which 3,563 were chemical emergencies. Of the emergency calls, 2,844 fell into the transportation category. Rail and highway accidents accounted almost equally for the great majority of the calls, 1,220 and 1,180 respectively.

* * *

At the invitation of the River Parishes, La., Chemical Industry Council, Victor H. Peterson, MCA's vice president and director of public relations and education, and John E. Slavick, publications specialist, attended the September meeting of the council.

The purpose of the visit was to discuss the potential assistance MCA can give to local chemical industry councils around the country and to foster the cross-feeding of program ideas among them.

* * *

CMA 070649