Exhibit D

Report of the CMA Government Relations Committee to the Board of Directors September 8, 1980

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COMMITTEE STATEMENT OF PURPOSES

With respect to communications between the chemical industry and Government on matters significant to the chemical industry, the Government Relations Committee:

(1) seeks to anticipate, identify and establish priorities with respect to issues and opportunities;

(2) advises the Board of Directors, Executive Committee and other CMA entities regarding policy formation;

(3) participates in the planning of Association programs aimed at specific issues or objectives, with emphasis on strategy considerations;

(4) oversees and participates in the execution of legislative programs; and

(5) monitors, evaluates and seeks to enhance the effectiveness of Association programs.

MEMBERSHIP

William C. Lowrey (Chairman), Washington Representative, Shell Oil Company

Francis E. Cook (Vice-Chairman), Senior Vice President, Stauffer Chemical Company

Earl P. Bassett, Jr., Vice President for Federal Government Affairs, 3M Company

Edwin L. Behrens, Manager, Technical Affairs, National Government Relations, The Procter & Gamble Manufacturing Company

Carl F. Emde, Director, Federal Government Relations, Air Products and Chemicals, Inc.

Robert E. Hampton, General Manager, Public Affairs, ICI Americas Inc.

Peter Jarowey, Director of Federal Relations, Cabot Corporation

J. Wilson Malloy, Jr., Vice President, Eastman Chemical Products, Inc.

Charles T. Marck, Vice President and Director of Government Relations, Dow Chemical U.S.A.

Thomas F. Mitchell, Vice President, Federal Government Affairs, Georgia-Pacific Corporation

Sam Pickard, Regional Vice President, Governmental Affairs, Monsanto Company

Douglas D. Pirnie, Manager, Government Relations, Exxon Chemical Americas

Robert L. Shafer, Vice President, Pfizer Inc.

Cecil H. Timberlake, Federal Relations Representative, Phillips Petroleum Company

Gordon E. Wood, Director, Washington Office, Olin Corporation

William M. Stover, CMA Staff Executive

ORGANIZATION

A. Keymen: Committee Keymen are appointed to monitor legislative issue areas closely, communicate with other interested organizations, and work with other elements of CMA in an advisory capacity as needed.

Keymen have been appointed in the following issue areas:

Air	Roger S. Chamberlin Dow Chemical U.S.A.
Communications	Don A. Goodall American Cyanamid Company
Energy	J. Wilson Malloy, Jr. Eastman Chemical Products, Inc.
Product Liability	Mark Nelson E. I. duPont de Nemours & Co.
Resource Conservation and Recovery	Wells Denyes Eastman Chemical Products, Inc.
Taxation	Carroll W. Hayes Celanese Corporation
Transportation	Robert E. Bates, Jr. Mobil Oil Corporation
Wage/Price	Kenneth E. Davis Rohm and Haas Company
Water	Gordon E. Wood Olin Corporation

B. Task Groups: Committee task groups are principally concerned with planning and execution of legislative communications programs. The task groups will:

(1) monitor closely the development of legislation and/or amendments in their assigned issue areas;

(2) develop and recommend strategy and action initiatives appropriate toward achieving CMA policy objectives;

(3) after any necessary approvals, lead the implementation of strategy and action initiatives;

(4) coordinate activities, through the CMA Government Relations Department, with other technical and functional committees as appropriate; and

(5) function for the duration of a Congress.

Task groups have been appointed in the following issue areas:

Clean Air Act Task Group
(Chairman: Roger S. Chamberlin, Government Relations Manager, Dow Chemical U.S.A.)

Energy Task Group
(Chairman: J. Wilson Malloy, Jr., Vice President, Eastman Chemical Products, Inc.)

Resource Conservation and Recovery Task Group
(Chairman: Wells Denyes, Washington Representative, Eastman Chemical Products, Inc.)

Superfund Task Group
(Management conducted through the full Government Relations Committee. Chairman: William C. Lowrey, Washington Representative, Shell Oil Company)

A further system of "Superfund Coordinators" is established which assigns responsibility to specific member company representatives for communication with designated Congressional committees, subcommittees, and Members. The approach is intended to maximize intelligence-gathering, communications exchange, direct participation within the Association, and to promote interaction with other groups.

Transportation Task Group
(Chairman: Robert E. Bates, Jr., Manager, Government Relations, Chemical Division and Energy Projects, Mobil Oil Corporation)

ORGANIZATION

C. Legislative Liaison and Coordination: William C. Lowrey (GRC Chairman), Washington Representative, Shell Oil Company, has been appointed Committee Liaison Coordinator, to work with staff in efforts to improve legislative liaison with other organizations and groups.

SUMMARY OF ACTIVITIES

Direct Action

Energy

Energy Emergency Conservation Act: Was signed into law in October, 1979. It permits the President to impose gasoline rationing if foreign oil supplies drop by 20 percent. It allows the President to set state-by-state energy savings goals and to put energy savings plans in place to handle less severe supply shortfall. It also permits the President to impose standby Federal energy conservation plans in the event of a severe energy shortage. The Federal plan could only be imposed in those states that do not have an approved plan.

Oil Import Reductions: The President imposed a $4.62 per barrel import fee on crude oil and planned to pass it through in the form of a tax on motor gasoline. The U.S. District Court blocked the President's attempt; subsequently, both the Senate and the House passed bills removing the President's authority to impose these fees. The President vetoed the legislation repealing the $4.62 per barrel import fee, and the Congress voted overwhelmingly to override the veto.

Rule II Incremental Pricing of Natural Gas: As mandated by the Natural Gas Policy Act, the Federal Energy Regulatory Commission (FERC) considered and subsequently proposed the extension of incremental pricing of natural gas to feedstock, process, plant protection and other non-boiler uses. Either House of Congress could veto the proposal, and it was overwhelmingly defeated by the House on May 20, 1980.

Fuel Use Act Amendments: H.R. 7500, pending before the House Energy and Power Subcommittee, is a bill which incorporates most of the amendments to the Fuel Use Act which were developed by the CMA Energy Committee along with the National Association of Manufacturers and the Council of Industrial Boiler Owners. At present, efforts are being made to get cosponsors for this bill in an effort to have it considered during this session of Congress. Enactment of this legislation this year is not likely.

Patents

Restoration of the Patent Grant: CMA, in coordination with PMA, developed a legislative proposal to restore the term of a patent grant for a chemical product delayed in marketing by government regulation.

Status: No action taken in the 96th Congress. CMA and PMA will seek enactment of this proposal in the 97th Congress.

This item is important to the chemical industry because many chemical products are delayed in marketing a number of years by government regulations.

Resource Conservation and Recovery Act (RCRA)

Legislation to reauthorize RCRA contains a number of substantive changes to the Act.

Status: S. 1156 passed the Senate on June 4, 1979.

H.R. 3394 passed the House on February 20, 1980.

The staffs of House and Senate committees have been meeting for several months attempting to resolve the differences between the two bills. The one principal issue that remains unresolved is the criteria for determining whether an existing hazardous waste disposal facility would be allowed to continue in operation without retrofitting to meet the design and performance standards which will be finalized by November, 1980. This issue is extremely important to the chemical industry since many of the facilities that were constructed to meet requirements of the Clean Water Act will, in addition, come under regulations of RCRA.

No conference has yet been scheduled, but it is expected in the near future. Resolution of outstanding differences and enactment of this legislation this year is likely.

Superfund

Legislation to establish a "Superfund" to meet the costs of remedying chemical spills and hazardous waste disposal sites.

Status: H.R. 85, which covers oil and chemical spills and hazardous waste disposal, has been reported by the House Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means Committees and is awaiting a rule for floor action.

H.R. 7020, which covers abandoned hazardous waste disposal sites, has been reported by the House Interstate and Foreign Commerce and Ways and Means Committees and is awaiting a rule for House floor action.

S. 1480 has been reported by the Senate Environment and Public Works Committee and referred sequentially to the Finance Committee.

The legislation, if enacted as reported, would cost the chemical industry a billion dollars or more a year in excise taxes on chemical feedstocks.

Enactment of Superfund legislation this year is possible, but, at this time, uncertain. If not enacted this year, this issue certainly will surface again in the 97th Congress.

Taxation

Amendment to the Crude Oil Windfall Profit Tax Act of 1980 to extend the 10 percent energy tax credit to energy-saving projects for which an affirmative commitment is made before the end of 1982.

Status: Enacted April 2, 1980.

This provision is expected to result in a tax saving to industry of $1.15 billion in the period 1980-1990.

Transportation

Trucking Deregulation: Legislation to eliminate unnecessary regulations of motor carriers of property.

Status: Enacted July 1, 1980.

CMA supported this legislation which should promote more reliance on competitive forces in the motor carrier industry.

Rail Deregulation: Legislation to reform the economic regulation of railroads.

Status: S. 1946 passed the Senate on April 1, 1980.

H.R. 7325 was reported by the House Public Works and Transportation Committee on May 14. House floor action began on July 2, but the bill was withdrawn by the floor manager, Rep. James J. Florio (D-NJ), after a floor amendment was adopted protecting captive shippers.

CMA favors the Senate bill which provides captive shipper/ maximum rate protection.

Prospects for this legislation are uncertain at this time. If a rail deregulation bill does not pass this year, the issue will come up early in the next Congress.

SUMMARY OF ACTIVITIES

Monitoring, Support,
or Future Planning

Clean Air

During the 96th Congress, there have been several days of oversight hearings on the Clean Air Act during which CMA presented testimony on the "Bubble Concept."

The GRC Clean Air Act Task Group has worked with the Environmental Management Committee Clean Air Act Revisions Task Group to develop a position paper with recommended revisions to the Act.

CMA will be putting forward a major effort in the 97th Congress to amend the Clean Air Act, when that legislation comes up for reauthorization.

EEC Action Against U.S. Exports

The European Economic Community (EEC) has pressed complaints against U.S. exports to the market of man-made fibers and petrochemicals. It has had difficulty, however, determining which international trading rule or agreement is being violated, and what the remedy should be.

A task force has been formed to jointly prepare a defense against EEC charges at the request of the U.S. government. Discussions have been held with a European chemical industry delegation in the period June 30-July 2, 1980.

Energy Security Corporation

Legislation to encourage development of synthetic fuels.

On June 30, 1980, the President signed into law the Energy Security Act, which established a 12-year program to stimulate domestic production of 2 million barrels of synthetic fuels per day by 1992.

Export of Hazardous Substances

An interagency working group has been engaged for two years in studying the problem of the export of hazardous substances. The working group is in the process of drafting a Presidential Executive Order that would restrict the export of hazardous substances.

CMA believes there is no gap in existing law in this area and opposes issuance of the proposed Executive Order. A chemical industry task group has met with representatives of the government to express these views.

At this time, it is not known whether the White House will issue such an Executive Order.

OSHA Reform

S. 2153 would amend OSHA to eliminate routine safety inspections for firms with good safety records. A scaled-down version of this legislation passed the Senate in July, 1980, as an amendment to the ERISA multi-employer pension legislation. This amendment would exempt safe small businesses (10 or fewer employees) from OSHA inspections.