

MANUFACTURING CHEMISTS ASSOCIATION
MINUTES OF MEETING
Executive Committee
of
LEGAL ADVISORY COMMITTEE
Conference Room of Wilmer, Cutler & Pickering
1666 K Street, N. W., Washington, D. C.
December 1, 1977

PRESENT

James I. Wyer, Chairman	American Cyanamid Company
Leon C. Holt, Jr., Vice Chairman	Air Products and Chemicals, Inc.
Charles E. Welch	E. I. du Pont de Nemours & Company
Bruce M. Barackman, Secretary	Manufacturing Chemists Association
John H. Pickering	Wilmer, Cutler & Pickering

ABSENT

Brian D. Forrow	Allied Chemical Corporation
James H. Hanes	Dow Chemical USA

GUESTS

Karl R. Barnickol	Monsanto Company
Ray W. Brown	Mobay Chemical Corporation
Howard Fashbaugh	Virginia Chemicals Inc.
Edmund B. Frost	MCA's General Counsel designee
Bernard J. McNamee	Hooker Chemicals & Plastics Corp.
William M. Stover	Manufacturing Chemists Association
S. Maynard Turk	Hercules Incorporated
Donald P. Walsh	Shell Oil Company
John A. Wilson	Diamond Shamrock Corporation

The meeting convened at 12:23 p.m. with chairman Wyer presiding.

1. Minutes of the November 3, 1977 LAC Meeting The minutes were approved as distributed. In regard to item 7, Mr. Wyer reported discussing the matter with Mr. Gray and deciding to wait before taking further action.

CMA 086483

2. MCA Special Committee on Product Liability Mr. McNamee reviewed the activities of the committee to date. He said the survey of member companies by the insurance consultant resulted in little meaningful data. The consultant is now talking in more depth to 20 selected companies including several of the smaller ones, in an effort to produce more useful data. Mr. Mitchell, the committee chairman, reported to the Board in November, stating that with regard to liability insurance, his committee is considering the possibility of Federal legislation on tax relief for funds set aside to pay claims. Regarding changes in tort law, it is questionable whether Federal statute should be sought; there is some feeling that developing a model law might be useful. The committee is reserving judgment on workmen's compensation law as the sole remedy since that surely would be very expensive.

Attention was invited to the efforts of Dow and others to modify the Ohio product liability bill which would exclude certain classes of chemicals from proposed exceptions to the existing two-year statute of limitations. The Secretary will distribute copies of the bill.

During the ensuing discussion grave concern was expressed in the matter of product liability; it was noted presently there is little prospect for a Federal tort reform bill; action must be focused at the state level -- individual member companies supplying the effort with support from MCA as feasible.

It was recommended that MCA investigate availability and cost of state legislative reporting services; consider best method of disseminating information obtained on state legislative activity; and prepare report for consideration of the Special Committee on Product Liability.

In further support of the special committee, an LAC Task Group on Product Liability was established. It will be chaired by Mr. McNamee and will include lawyers to be named from Du Pont, Air Products, Shell, and outside counsel. The Task Group will prepare a draft containing the priorities of concern to the chemical industry in the area of tort law reform together with a supporting paper giving background and rationale for the provisions. This material will be made available to interested firms, organizations, and individuals for use in legislative activity at the state level.

3. Other Matters Noting the absence of insurance coverage on MCA safety publications, the Executive Committee requested the LAC to review the matter and make a recommendation within a reasonable period concerning continuation of the program (1) without errors and omissions coverage and (2) with coverage at a higher deductible level. The Secretary stated that MCA already has initiated inquiries

concerning coverage with \$1 million deductible. Following discussion it was agreed to consider the matter further after MCA had received replies.

4. Next Meeting The next meeting of the LAC will be a luncheon meeting at 12:00 noon at the law offices of Wilmer, Cutler & Pickering, 1666 K Street, N. W. Washington, D. C., January 5, 1978.



Bruce M. Barackman
Secretary
Legal Advisory Committee

Minutes subject to approval
December 13, 1977
BMB:jb