

AGENDA
JOINT MEETING OF MCA EXECUTIVE AND FINANCE COMMITTEES
12:00 Noon (EST), Monday, April 13, 1970
The Madison, Washington, D. C.

1. Report of Secretary-Treasurer for ten months ended March 31, 1970.
2. Proposed Budget and Financing for Fiscal Year 1970-71
 - A. Regular Program and Budget
 - B. Program and Budget for Proposed Chemical Transportation Emergency Center (CHEMTREC)
 - C. Schedule of Membership Fees.
3. Transportation and Distribution Committee's recommendation on the Association's traditional position regarding rate increase opposition, and request for funds to oppose rail rate increases proposed in ICC Ex Parte 265.
4. Environmental Statement Proposal by Chairman of the Board's Liaison Committee for Environmental Quality and Control.
5. Administrative Matters.

MINUTES OF JOINT MEETING
MCA EXECUTIVE AND FINANCE COMMITTEES
The Madison, Washington, D. C.
Monday, April 13, 1970

Following luncheon at 12:00 Noon, the meeting was called to order by Chairman Siverd.

There were present:	Clifford D. Siverd, Chairman	William J. Driver
	L. G. Bliss	Clifton C. Garvin, Jr.
	F. Leonard Bryant	Earl T. McBee
	John T. Connor	Max A. Minnig
	George S. Dillon	Robert J. Whitesell
	Herbert D. Doan	James R. Carnes

General Counsel: Lloyd Symington

Present by invitation:	Bruce M. Barackman, MCA
(For portion of meeting only.)	George E. Best, MCA
	Marjorie V. Campbell, MCA
	William E. Chace, MCA
	Cleveland Lane, B. F. Goodrich Chemical Company
	James G. Morton, MCA
	Victor H. Peterson, MCA

1. Financial Report for Ten Months Ended March 31, 1970. Mr. Carnes reported that income for the ten months ended March 31 was \$1,762,727, a continuation of the substantial increase in revenues over budget estimates due largely to unprecedented sales of publications and interest on investments. Overall expenses were \$1,305,913, or 89 percent of the prorated budget for the period. Operating Expenses amounted to 97 percent and Project expenditures to 57 percent of the respective prorated budgets. The proposed carry-over for expenditure in the next fiscal year of \$85,000 of this year's project funds, if approved, will commit an additional 25 percent of the project budget for the year, but it now appears that this may still leave a substantial amount to be transferred to accumulated surplus at the end of the fiscal year. This transfer will be supplemented by some savings in the Operating Expense budget as well as an excess of income over budgeted expense, both of which are presently indicated.

2. Proposed Budget and Financing for Fiscal 1970-71. Forwarded to the members of the Executive and Finance Committees on March 30 was a letter outlining in detail a management-recommended budget for the fiscal year beginning June 1, 1970, together with proposals for financing it. Included was a statement of estimated income totalling \$1,820,000; an explanation of an

operating expense budget of \$1,489,060; and a project budget of \$314,000 supported by a summarized tabulation of projects and individual project descriptions setting forth costs, committee priorities, and recommendations of staff departments and of the President. It was also proposed that the obligated year-end balances of seven fiscal 1969-70 technical projects, with balances totalling \$119,682 on February 28, 1970, be carried forward for future expenditure. Also included was a proposed plastics financial package of \$75,000 which would require member assessments of \$72,034, after taking into consideration the anticipated surplus on May 31, 1970. For separate consideration, there was included a proposal for a Chemical Transportation Emergency Center at an estimated cost of \$109,800 for fiscal 1970-71.

At Chairman Siverd's request, Mr. Carnes reviewed the budget proposal item by item and, with Mr. Driver and staff department directors, answered questions regarding it. Chairman Cleveland Lane of the Public Relations Committee made a brief statement regarding the need of member companies for improved Association procedures in connection with chemical transportation emergencies.

The staff department directors having been excused, Mr. Driver summarized developments to date regarding the proposal that MCA establish a Chemical Transportation Emergency Center. There followed an extensive discussion which indicated sympathy for the principle of a Transportation Emergency Center for accidents involving all kinds of hazardous materials but reservations as to whether MCA should go forward at this time on its own without further study. Accordingly, it was agreed that action on the recommendation should be deferred pending further study by the Executive Committee and the Board of Directors, and Mr. Driver was requested to explore with the appropriate congressional committee chairmen the likelihood of legislation being enacted which would provide for establishment of such an emergency center by the Government.

The Executive Committee returned to consideration of the proposed fiscal 1970-71 operating expense and project budget, carry-over of certain project funds, and the plastics financial package, and agreed to recommend that the Board of Directors approve these proposals as submitted and that the current membership fee schedule be maintained for fiscal 1970-71.

3. Transportation and Distribution Committee Recommendation Regarding MCA Position in Opposition to Freight Rate Increases, and Request for Funds to Oppose Rate Increases in ICC Ex Parte 265. Furnished to those present and summarized by Mr. Driver was the recommendation of the Transportation and Distribution Committee that the Association continue to oppose freight rate increases applicable on broad territorial bases where such action can be justified on the ground that proposed increases are not based on acceptable economic principles and existing statutory requirements. This recommendation was developed at a meeting of the Transportation and Distribution Committee pursuant to the request of the Executive Committee that it review the basis for its proposed opposition to rate increases in ICC Ex Parte 265. Opposition to freight rate increases in ICC Ex Parte 265 would be

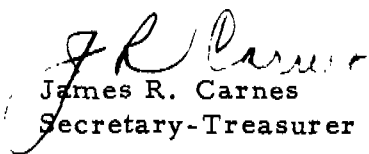
consistent with the position the Committee recommends and it therefore requested that the Board of Directors supplement the current budget in the amount of \$10,000 to provide funds for MCA participation in Ex Parte 265. Following discussion, the Transportation and Distribution Committee recommendation was approved and it was agreed to recommend to the Board of Directors that the 1969-70 budget be supplemented by \$10,000 to provide funds necessary for MCA participation in Ex Parte 265.

4. Environmental Statement Proposed by Chairman of Board Liaison Committee for Environmental Quality and Control. Furnished to those present was a proposed MCA environmental statement which had been prepared by Mr. Doan for consideration as a statement of Association position. Mr. Doan believes that the Association's current statements of position in the field of environmental quality are outdated and should be revised in the light of present conditions. Accordingly, Mr. Doan plans to discuss the proposed statement with representatives of the technical committees in the field of environmental quality at a meeting with the Board Liaison Committee later in the day. In the discussion which followed, it was recommended that the Tax Policy Committee also be asked to comment on the reference in the statement to the Tax Reform Act of 1969, the provisions of which were understood to be too limited with respect to facilities benefited to be of much value.

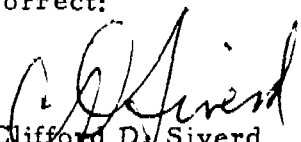
5. Administrative Matters. Mr. Driver invited attention to the fact that the usual meeting date of the Board of Directors in September 1970 would follow immediately after the Labor Day holiday which might present difficulties for some Directors in attending. Following discussion, in which it was learned that postponement for one week would result in unacceptable conflicts for some Directors, it was agreed that the September meeting would be postponed one day and held on Wednesday, September 9, 1970.

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There being no further business to come before the committees, it was unanimously resolved to adjourn.


James R. Carnes
Secretary-Treasurer

Certified Correct:


Clifford D. Siverd
Chairman, Executive Committee