

ENVIRONMENTAL MANAGEMENT COMMITTEE

REPORT TO THE
BOARD OF DIRECTORS
SEPTEMBER 8, 1980

EXECUTIVE SUMMARY

Major Accomplishments

The Environmental Management Committee's (EMC) 1979-1980 year was extremely hectic, but productive. As highlighted in the last section of this summary, it is conservatively estimated that this past year's efforts saved the industry hundreds of millions of dollars.

It was also a year of change: program expansion, staff additions, structural and programmatic streamlining and management strengthening. A summary of the Committee's major accomplishments follows:

Air Programs

- o Initial CMA Clean Air Act amendments position established for next year's legislative effort.
- o Significant achievements in working with the Environmental Protection Agency (EPA) at the early stages of its regulatory development program of New Source Performance Standards, NESHAPS, and CTG's.
- o A CMA suit against EPA on disapproving a portion of the New Jersey State Implementation Plan (SIP) is aimed at eliminating the need for SIP revision and EPA approval for every proposed application of the bubble concept.
- o Prevention of Significant Deterioration (PSD) litigation and subsequent rulemaking comments submitted to EPA resulted in a generally favorable decision and revised regulations.

Water Programs

- o Worked with EPA to significantly improve the cost-effectiveness and scope of the agency's Best Management Practice program.
- o Successfully advocated effluent guidelines policy position which led to EPA dropping its unnecessarily costly (\$140,000,000) wastewater self-monitoring program. Instrumental in developing joint CMA/EPA biotreatment study. (See item 1, General Purpose Programs, page ii.)
- o Initiated valuable inter-trade association coordination on significant water issues.

- o Completed 35 position papers and responsive comments on proposed rules to influence both Federal and State Water regulatory development efforts.
- o Closely following EPA's Publicly Owned Treatment Works (POTW) program to ensure last year's litigation settlement gains are not lost.

Solid Waste Programs

- o A strong advocacy position was continued on EPA developing Resource Conservation Recovery Act (RCRA) regulatory program. CMA's leadership has played a major role in improving the cost-effectiveness of the final rules. This leadership was continued with the filing of a petition for judicial review of unacceptable provisions of the final regulations.
- o Model state legislation for the siting of hazardous waste management facilities was developed and is being advocated through member companies.
- o A workshop on the final RCRA, Subtitle C, regulations was judged exceptionally informative by over 250 attendees representing over 100 chemical companies.
- o Provided strong technical support, positions, and proposals for CMA's Superfund Program.
- o Established a Groundwater Management Task Group and implemented a strong technical, legal and policy program in preparation for anticipated legislative activities in 1981 and subsequent implementing regulations that ultimately may be of greater impact than RCRA and/or Superfund.
- o Successfully completed the Hazardous Waste Response Center pilot program.

General Purpose Programs

- o Began a CMA/EPA cooperative monitoring program to assess the efficiency of priority pollutant removal by biotreatment.
- o Established an Environmental Communications Task Group to improve the dissemination of information to member companies and influential audiences.
- o Provided analytical and economic policy development support to major program area: air, water, and solid waste.

Overall EMC/Staff Activities

- o The EMC further strengthened program structure and management.
 - The overall EMC program was evaluated and critiqued during April/June 1980.
 - Program structure was streamlined from 27 to 23 task groups while expanding specific program areas and task group missions.
 - Program/task group alignment and personnel improvements/strengthenings are planned.
 - EMC policy and procedures, and task group leadership changes were approved.
 - All improvements to strengthen the EMC program will be implemented by the end of September.
- o The CMA Staff role was significantly improved during 1979-1980.
 - Staff was added and trained.
 - Coordination with legal department has further strengthened.
 - Management systems were developed and implemented.
 - A strong dual staff role of support/guidance was established in partnership with Committee and task group leaders.
- o The Committee established and implemented programs to strengthen its influence at every stage of the legislative/regulatory process. These programs are aimed at:
 - Early identification of emerging environmental issues (Environmental Issues T/G).
 - Establishment of aggressive work plan to effectively do our homework on a timely basis (Ex. Groundwater Management T/G).
 - Monitoring and influencing EPA's R&D.
 - Developing CMA position papers at an early stage to influence regulatory agency and/or build grass roots support for legislative activities.
 - Working with EPA and its contractors well before the draft regulation stage.

Member Company Personnel

The technical and legal expertise of over 200 people from over 50 member companies is currently being tapped to achieve the goals of the EMC. Compared to one year ago, the number of member company personnel on permanent committee and task group assignments has increased by 21% to 205. The number of companies contributing these resources has increased by 47% to 53.

Committee and task group assignments involve policy development and consideration of alternate strategies. It also involves hard work! The current EMC program requires a 50 man year effort level, an increase of 43% from one year ago. This level of effort together with the involvement of many more member companies are two key reasons for the strength of the EMC program.

CMA Staff Personnel

The Environmental Division consists of seven professionals and six supporting staff. Additional CMA staff associated with EMC activities include the equivalent of 1½ attorneys from the Legal Department, ½ professional person from the Government Relations Department and assistance from the Communications Department on an "as needed" basis.

During the coming year we expect to receive additional support from the Government Relations, Communications and Legal Departments due to more complex and intensive legal, regulatory and legislative activity. The Environmental Division will primarily need additional resources to handle the increased demand for administrative services. Additional word processing capability will especially be required to successfully support increased staff and task group activity for the development of responsive comments and position documents.

Budget Summary

<u>Operating Budget</u>	Actual 1979/80	Approved 1980/81
Environmental	414,300	535,800
Hazardous Waste Response Center	<u>181,200</u>	<u>263,800</u>
TOTAL	<u>595,500</u>	<u>799,600</u>
 <u>Research and Consulting Budget</u>		
Enviromental	415,000	620,000
Hazardous Waste Response Center	--	<u>68,000</u>
TOTAL	<u>415,000</u>	<u>688,000</u>
 <u>Legal Fees and Expenses - Environmental</u>		
TOTAL	<u>649,600</u>	<u>744,900*</u>

*Does not reflect special advocacy projects where limited impact on industry.

Value To Industry

The financial/economic impact of the EMC's use of resources is difficult to measure, especially since the Committee's program is becoming more geared to impact all stages of the legislative/regulatory process. However, we conservatively estimate this past year's results in terms of savings in four categories:

- o Savings due to agency programs not being implemented prematurely or programs being scrapped by the agency based upon CMA advocacy - hundreds of millions of dollars this year and next.
 - Wastewater Self-Monitoring
 - Superfund (EMC support efforts)
- o Savings due to redirection/modifications achieved on agency programs being developed/implemented - hundreds of millions of dollars over the next couple of years.
 - Nonattainment Regulations
 - Prevention of Significant Deterioration Regulations
 - Resource Conservation and Recovery Act Regulations
 - Best Management Practices
- o Savings due to timely and sound comments/support data/regulatory alternatives during the early stages of agency programs - hundreds of millions of dollars during the next 3 to 5 years.
 - Effluent Guidelines
 - Environmental Testing and Monitoring
 - New Source Performance Standards, Control Technique Guidelines, and National Emission Standards for Hazardous Air Pollutants (current programs)
- o Savings due to the expected impact of this year's efforts in preparation for advocacy strategy to influence planned legislation and/or regulations - hundreds of millions of dollars over the next 10 years.
 - Clean Air and Water Act Revisions
 - Groundwater Management Programs
 - Water Quality Criteria/Water Quality Standards Regulatory Programs
 - New Source Performance Standards, Control Technique Guidelines, and National Emission Standards for Hazardous Air Pollutants

The savings are significant in spite of not being highly quantitative. We are initiating a program to more reliably quantify CMA's impact on each step of the legislative/regulatory process. This will help us set priorities, evaluate alternative regulatory proposals, and measure performance. Today, however, we can identify the key reasons for our success:

- o Strong advocacy posture.
- o Use of sound science, hard data, and industrial experience.
- o Effective and appropriate use of litigation and settlement negotiations.
- o High level of commitment of member companies and company resources.
- o Strong staff support and guidance.
- o Coordination with other trade associations and business groups.
- o A strong partnership between member company personnel and CMA Staff.
- o Effective and timely help from other functional groups from CMA and member companies.
- o Early involvement and sound management at all stages of the legislative and regulatory process.

We will continue to use these concepts as the basis of our program. We will use additional concepts which work, and we expect to be able to better quantify next year's performance.