

CHEMICAL MANUFACTURERS ASSOCIATION

State Affairs Committee
Board Conference Rooms A&B, CMA
March 19, 1987

SAC-26-1

MEMBERS ATTENDING

Jack Brewer - Chairman
Bob Ball
Jerry Chambers
Rob Christie
Charlie Fitzgibbon
John Harris
(for Ben Woodhouse)
Chuck Hebner
Debbie Neale
Ron Roberts
Judith Smeltzer
(for Jerry Prout)

William Westendorf
Staff Executive

Olin Corporation
Exxon Chemical Corporation
American Cyanamid
ARCO Chemicals
Eastman Kodak Company
Dow Chemical USA

ICI Americas
BF Goodrich Company
Borg-Warner Chemicals
FMC Corporation

CMA

PRESENT BY INVITATION

Earl Behm
Lee Kamp
Jean Luck
Max McCombs
Brian Munroe
Jim Murray
Dick St. John
Margaret Melady

Becky Chidester
Larry Gallo
Mary Heaton
John Slavick

3M Company
Mobil Chemical
Vulcan Materials
Monsanto
Occidental Chemical Corp.
Union Carbide Corp.
Upjohn
Stauffer Chemicals

CMA
CMA
CMA
CMA

MEMBERS ABSENT

Keith Pretty
Tim Holt
Goeff Hurwitz
Ralph Loomis
Art Mszanski

AMOCO Corporation
Air Products & Chemicals Inc.
Rohm and Haas Company
CIBA-GEIGY Corporation
E.I. du Pont de Nemours & Co.

CMA 084405

The meeting was called to order by Chairman Jack Brewer at 10:05 a.m.

1. Approval of Minutes

The minutes were approved with one exception. John Harris pointed out the reference to the NCSL household cleanup film should be changed to household hazardous waste film and that the additional \$10,000 was needed for the book to accompany the film, not for the film itself.

2. Previous Action Items Reviews

All previous action items are complete with the exception of a presentation on CMA's federal Superfund matrix team by the Technical Department. We will try one more time. There was one more reminder for any company wishing to join CMA and a few other companies in the sponsorship and design of the chemical industry's exhibit at the annual NCSL meeting.

Reminder by the Chairman: If you are responsible for the state-of-the-month to be reviewed at the next SAC meeting and you are unable to attend that meeting, then you should see that your backup or secondary person plans to make such a presentation. The same applies for your monthly state reports.

3. Organizational Issues

Members are reminded that when you have indicated that you will attend the SAC meeting you are responsible for paying for your portion of the lunch whether you attend or not, unless cancellation is received 24 hours in advance. If you are attending but not staying for lunch, that should be made clear when your attendance plans are indicated.

Mr. Westendorf gave a brief report on the Keystone Hazardous Transportation Meeting held February 18-20, 1987 in Colorado. A number of CMA members participated including Dow, AMOCO, and Mobay Chemicals. Major issues discussed were routing, regulatory uniformity, training and emergency response, and public participation in right-to-know.

Action: A more complete summary of the draft report together with the draft itself will be sent to SAC members. Members should strongly consider some financial support. Suggestion: \$500 per company.

Keystone is still about \$10,000 short from their budget of \$25,000 for this initial meeting. Initial plans called for the trucking industry to pay for most of the cost. U.S. Department of Transportation has paid \$8,000 while trucking companies have paid about \$6,500. It is hoped that after some of the CMA members read the report that they will contribute to Keystone to help retire the remaining \$10,000 debt.

Becky Chidester discussed the fact that SCAN usage is good, but timely input is lacking, not only by some of the member companies, but especially by some of the CIC's, including those that receive some support from CMA for their input.

Action: Member companies should increase their legislative information input and also strongly encourage their CIC's to do the same. Mr. Westendorf will contact California and New Jersey CIC's directly, but member companies' assistance is requested in those states as well.

Larry Gallo reported on the critical hotel room situation for the upcoming NCSL meeting in Indianapolis. There are no more rooms downtown although SGAC has a block of 65 rooms set aside for thier members. The next choice is hotels near the airport, which is about a ten minute ride during non-rush hour periods.

Action: Gallo will send an announcement about this situation to the SAC and attendees. CMA will also reserve a block of about 15 rooms at the airport for members interested in that location.

Gallo reported that there are about four companies that have expressed interest in participating in the CMA exhibit at the NCSL Annual Meeting. He is proposing a small CAER badge with self-adhesive to be given out at the booth. We would like additional companies to join in this industry exhibit. The cost per company will be about \$500. The final decision will have to be made by the next SAC meeting in April.

4. Key Issues

Proposition 65

Westendorf described the latest from California on Proposition 65 including the discussions and actions by the Environmental Working Group (EWG). EWG is looking for \$200,000 in additional funding for this year, \$30,000 of which has been assigned to the chemical industry. Reportedly, a letter will be sent from the California CIC to member company State Affairs personnel soliciting funds for the industry's contribution. Donations of \$5,000 will entitle the company a position on the EWG Board.

Action: CMA will distribute to the SAC copies of the letter from the California CIC soliciting financial support for the EWG. At that time, CMA will also explain the legal implications of these donations, e.g. tax exemptions and lobbying expense.

Brian Munroe reported on a rumor that Proposition 65 will appear in this session of the Louisiana Legislature but will not pass until early 1988. While in Missouri, Max McCombs reported that he had successfully modified the Feigenbaum bill from a Prop 65-type document to a basic drinking water supply monitoring program, although Mr. McCombs does not believe this bill will get out of committee. The public interest research group of Missouri (MOPIRG) was basically interested in increasing the scope and frequency of the monitoring required by the federal Safe Drinking Water Act. Possibly we should stress an improved monitoring program in other states as a way of avoiding Prop. 65-type legislation.

Jim Murray, Chair of the CMA Ad Hoc Prop. 65 Work Group, described the purpose of the group as well as the basic plans of managing the issue, including: monitoring actions around the states, development of generic strategies, the formation of state teams and the development of position papers.

There was a question by Mr. McCombs whether there is any existing resource to assist in developing strategies for handling initiatives. Possibilities included, the Public Affairs Council, the Nuclear Industry and the Edison Electric Institute.

Action: Mr. Gallo will check the PAC and Mr. Westendorf will check with the nuclear industry as a start.

Taxes

Jack Brewer discussed a possible new trend concerning a tax on chemicals. Specifically, he described some recent bills in Iowa and Florida.

Action: Rob Christie mentioned a draft of a similar bill in Alabama which he will send to CMA for distribution to the committee.

New Jersey is earmarking \$40 million of the \$60 million tax windfall for the state Spillfund. Obviously, our industry welcomes this approach, and perhaps it is something we should consider advocating in other states.

Max McCombs pointed out that Texas and Illinois are looking at the taxing of services, including a lot of major and expensive services used by chemical plants. Margaret Melady said that Connecticut already taxes services including the services of lobbyists.

5. State Reports

The discussion of state reports began with an admonition by the Chairman, Jack Brewer. Mr. Brewer pointed out that a large number of state reports were not filed and that the State Affairs Committee would only be as successful as the input or the sweat equity contributed by the members.

Action: Again, everyone is reminded to file their monthly state reports one week before the State Affairs Committee meeting. If the person with primary responsibility for a state is unable to do this, then he should contact the person with secondary responsibility. Also, if nothing reportable has happened in the particular state during the past month, that should be so recorded or reported. Reports can be sent using SCAN.

Alabama

Senator Bennett now wants to work with the chemical industry on the superfund.

Connecticut

CFC, or Chlorofluorocarbon, legislation is dead for this session. Attendance was down at the recent annual legislative reception.

Delaware

Some tort reform is expected this year, especially regarding joint and several liability. ECRA-type legislation is sitting in the Senate.

Florida

Jerry Chambers reiterated the pollutant tax report that he handed out at the meeting.

New Jersey

Mr. Chambers reported that Senator Lesniak is letting the ECRA bill currently ride through the Council of State Governments Suggested State Legislation Committee. He now plans to amend it at a later date. Mr. Chambers also pointed out that CSG is looking for suggestions on how to modify and improve the work of the SSL Committee. One suggestion was to limit committee membership to actual legislators.

Illinois

The CIC gave the governor a rewrite of the groundwater bill which was much more simple. The CIC is also working on a "Spiller Pays" bill. Hearings on this bill are scheduled for April 28-29th. Similar legislation is being considered in Indiana and Maryland.

Louisiana

John Slavick reported that a recent survey by LCA showed that people thought the biggest problem was unemployment, but that they did not want to ease the environmental laws in order to increase jobs.

Maryland

Maryland has introduced an anti-animal testing bill. CSMA is very concerned.

Action: Max McCombs, chair of the groundwater task group, will see that this report is given at the next SAC meeting

Michigan

John Harris reported that some groundwater drafts would be discussed at the next Groundwater Task Group meeting and reported at the April State Affairs meeting.

Missouri

Mr. McCombs reported on HB 693, which is a ban on landfill bill, restricting the disposal of any substance on land until it has been made non-hazardous.

Pennsylvania

Rob Christie said that the governor plans to spend \$25 million per year for the next four years cleaning up 150 national priority list sites plus another 100 non-NPL sites. The final cleanup is scheduled for the year 2000. Private financing will also be included. A bill is expected by mid-April.

Action: Rob Christie will submit a package on this bill to CMA for distribution to the State Affairs Committee.

Texas

Bob Ball is cautiously optimistic about tort reform in this session. But, of course, taxes remain a major concern in the state.

West Virginia

Ron Roberts reported that the legislature recessed this week agreeing that the windfall tax should be returned to the tax payers. There will be some increase of taxes on industry but nothing major. Unemployment compensation changes could lead to increased taxes on businesses and all employees. There will be a dialogue group on groundwater this summer consisting of labor, industry, environmentalists and government.

North Carolina

Mr. McCombs reported that the phosphate issue is highly political, with the lt. governor for the ban and the governor against it. Senate hearings were cancelled and a public hearing was requested which will take place March 25th at 3:00 p.m.

Action: Anyone concerned with the phosphate bill should activate their company grassroots to write letters to legislators in North Carolina. For additional information contact Max McCombs at Monsanto (314/694-7518)

6. Task Group ReportsGroundwater Task Group

The next meeting is March 20th. State standards is the major issue for the task group. Some states, such as Mississippi, are heavily involved in standards at this time. A state groundwater workshop is planned for May 6th.

Hazardous Waste Disposal Task Group

As mentioned earlier, the Pennsylvania Superfund is of considerable interest to the group. Mary Heaton reported that there is a new legal intern at CMA reviewing state superfund laws. Bill Laffield said that Massachusetts is expediting their Superfund as a result of the passage of a question on the November ballot. The chemical affairs group in that state is actively involved. The ECRA Work Group has drafted their plan and is working with an outside legal counsel to develop a model bill. The next meeting of the ECRA Work Group will be on April 21st.

Action: Send copies of the State Superfund Accountability Paper, together with the ECRA Analysis to SAC. Comments are needed on the ECRA paper to assist in developing the model bill.

Larry Lockner, Chairman of the Hazardous Waste Task Group, is representing State Affairs on a technical group working on waste minimization. Bob Ball is working with New Jersey on waste minimization.

Air Toxics Task Group

The Accidental Release booklets have been published and sent to state organizations. Ron Roberts, task group Chair, says that ADDITIONAL ACTIVE MEMBERS ARE STILL NEEDED for the group.

Chemical Safety Task Group

The group will be meeting Wednesday, March 25th. They are working with the CAER Task Group on the implementation of Title III of SARA. There is also a paper being developed on why there is no need for additional legislation.

Tort Reform Task Group

This area continues to be one of very high activity with over 1400 bills introduced in state legislatures this year. The group responded to a request for help from the Ohio CIC. The Council of State Governments Committee on Suggested State Legislation will look at the insurance issue, not tort reform per se. A special CSG task group on insurance will be chaired by the New York Insurance Commissioner.

7. Miscellaneous

Bob Ball mentioned a recent article in USA Today ranking states by their environmental programs.

Action: John Slavick or State Affairs will send a copy of this article to the State Affairs Committee and we will order a copy of the complete study for possible further discussion by the SAC.

The meeting was adjourned at 2:05 p.m. The next meeting will be April 23rd at 10:00 a.m. at CMA.



William H. Westendorf
Director, State Affairs

3/24/87