MANUFACTURING CHEMISTS ASSOCIATION

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April 30, 1974
GRC-47-1

MINUTES
GOVERNMENT RELATIONS COMMITTEE
EXECUTIVE CHAMBER #2, THE MADISON HOTEL
WASHINGTON, D. C.
MARCH 4, 1974

PRESENT

Charles T. Marck, Chairman	Dow Chemical U. S. A.
Everett H. Bellows, Vice Chairman	Olin Corporation
Jerome J. Breiter	Hercules Incorporated
Robert D. Buehler	The B. F. Goodrich Company
James T. Conner	Chemagro Division of Baychem Corp.
Charles O. Gerfen	Mallinckrodt Chemical Works
Richard M. Hunt	N L Industries, Inc.
Robert F. Kelly	E. I. du Pont de Nemours & Company
Jeremiah J. Kenney, Jr.	Union Carbide Corporation
Carlos W. Luis	3M Company
Richard W. Murphy	Merck & Co., Inc.
Douglas D. Pirnie	Exxon Chemical Company U. S. A.
James A. Rush	Nalco Chemical Company
Robert L. Shafer	Pfizer Inc.
Lester G. Shapiro	Engelhard Industries
Arthur J. Smith	Shell Chemical Company
Charles D. Snead	Eastman Chemical Products, Inc.
Walter D. Thomas	FMC Corporation
Jack Woolley	PPG Industries, Inc.
Howard B. Brown	Manufacturing Chemists Association
Albert C. Clark	Manufacturing Chemists Association
Albert A. Fox, Jr.	Manufacturing Chemists Association
Ms. Terri Gratson	Manufacturing Chemists Association
Ms. Jody Hamberger	Manufacturing Chemists Association
Hugh M. Robinson	Manufacturing Chemists Association
David C. Williams	Manufacturing Chemists Association
William M. Stover, Secretary	Manufacturing Chemists Association

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Ms. Dorothy Bryant (for O'Connor)	The Standard Oil Company (Ohio)
Thomas Kent (for Forrow)	Allied Chemical Corporation

GUESTS

Werner C. Brown	Hercules Incorporated
Samuel Gusman	Rohm and Haas Company
Richard E. Heckart	E. I. du Pont de Nemours & Company
William H. Thomas	Universal Oil Products Company
Harlan L. P. Wendell (Liaison Representative from MCA Public Relations Committee)	E. I. du Pont de Nemours & Company

ABSENT

Kimball Firestone	The Firestone Tire & Rubber Company
Francis D. Flanagan	W. R. Grace & Company
Don A. Goodall	American Cyanamid Company
Carroll W. Hayes	Celanese Corporation
James McCrory	Borden, Inc.
Mike Manatos	The Procter & Gamble Manufacturing C
Robert H. Miller	Tenneco Inc.
Sam Pickard	Monsanto Company
John F. Rudy	The Goodyear Tire & Rubber Company
Carstens Slack	Phillips Petroleum Company
A. C. Welling	BASF Wyandotte Corporation

The meeting was called to order at 2:00 p.m. by Chairman Marck.

1. Approval of Minutes

The minutes of the last regular meeting, January 8, 1974, were approved, with a correction of the date for the MCA President's Annual Reception (Monday, April 8, 1974).

(At this point Chairman Marck departed from the agenda of the meeting in order to call on MCA Technical Director Albert C. Clark for a report on the status of OSHA investigations into the vinyl chloride situation. Mr. Clark reported that a number of MCA member companies were funding an independent study of the effects of vinyl chloride on laboratory animals. A discussion ensued as to developments, prospects and options open to interested member companies.)

New Business

A. Membership -- Chairman Marck announced that three prospective new members have been nominated and that sufficient vacancies exist on the Committee to accommodate them. The nominees are:

Francis E. Cook, Senior Vice President
Stauffer Chemical Company

Samuel Gusman, Assistant to the President
Rohm and Haas Company

William H. Thomas, Director, Government Relations
Universal Oil Products Company

After brief discussion, it was moved, seconded and unanimously voted that these three names be approved and forwarded to the MCA Board of Directors for action.

B. Chemical Forum Schedule -- Mr. Stover announced that the next Chemical Forum will be held Monday, May 6, in the State Room of the Mayflower Hotel, featuring an address by Senator Henry M. Jackson (D.-Wash.). It was also noted that when the Forum series resumes in the Fall a price increase may be necessary.

C. MCA President's Annual Reception -- Mr. Fox reported on plans and arrangements for this event which will be held from 6:00 to 8:00 p.m., Monday, April 8, 1974, at The Madison Hotel. It was pointed out that Committee members might expect their Board members to be in town before or after the reception and that this is an opportunity to schedule visits with government contacts.

D. MCA Board Developments -- Mr. Stover and Mr. Wendell commented on a public relations project on energy which has now been approved by the MCA Board. A series of draft speeches, statements, etc., will be prepared by members of the MCA Public Relations Committee. These may be used by MCA top executives in acquainting the public with the importance of the chemical industry and the possible effects of the energy crisis.

Mr. Stover reported that an MCA paper on multinational chemical companies jointly prepared by the Economic Policy Review Committee and the Public Relations Committee has been approved by the Executive Committee and will be considered by the MCA Board of Directors at its meeting next week.

Mr. Stover and Mr. Williams reported that the Executive Committee has approved the hiring of an economist to prepare an economic study of the chemical industry with a view to a future need for a response to the Hart bill (the Industrial Reorganization Act, S. 1167). The Board of Directors will also consider this proposal at its meeting next week.

Chairman Marck recognized Mr. Werner C. Brown, President, Hercules Incorporated and Chairman of the MCA Board of Directors. Mr. Brown reported on the February 21 meeting between members of the MCA Executive Committee and Russell Train, Administrator of the EPA. Mr. Brown indicated that while the reception was cordial he was not optimistic that great changes of direction would be forthcoming. He emphasized that the door was left open for future meetings of a similar nature with Mr. Train should circumstances warrant. Such contacts would be coordinated through the MCA staff and the Government Relations Committee.

Mr. Brown said the MCA delegation emphasized the unworkability of zero discharge and the "specific numbers" approach to water pollution abatement. They stressed that numerical ranges were more appropriate than single number standards. Mr. Brown further expressed the view that progress might be achieved through legal action by companies on an ad hoc basis.

Mr. Woolley said that considerable attention should also be given to lower level meetings with personnel within EPA since these are often the persons who make substantive decisions.

Mr. Kent called attention to the suit by the NRDC against EPA in the second circuit of New York which challenges the concept of flexibility already in guidelines.

Mr. Brown pointed out that MCA has conducted a regular program of activity over the past three years which was directed toward EPA personnel at middle management levels.

At this point Chairman Marck recognized the presence of Richard Heckart, Senior Vice President, E. I. du Pont de Nemours & Company.

E. Chairman Marck announced that the Committee will elect its new Vice Chairman for the coming year at the May 6 meeting, with Mr. Bellows assuming chairmanship of the GRC on June 1.

Reports of GRC Strategy Subcommittees

A. Energy -- This newly formed Subcommittee is comprised of:

Walter D. Thomas, FMC Corporation (Chairman)
Kimball Firestone, The Firestone Tire & Rubber Company
Jeremiah J. Kenney, Jr., Union Carbide Corporation
Richard W. Murphy, Merck & Co., Inc.
Lester G. Shapiro, Engelhard Industries
Carstens Slack, Phillips Petroleum Company
A. C. Welling, BASF Wyandotte Corporation

Mr. Thomas reported on the recent meeting by the Subcommittee to discuss developments and pending energy legislation. He touched on the following areas:

(1) National Emergency Energy Act -- MCA should adopt a wait-and-see attitude

(2) Energy R & D -- should have MCA support due to strong possibilities for significant government funding

(3) Energy Conservation -- should have MCA support, and is mentioned in the Association's energy position paper. This will provide a government relations and public relations opportunity to show what the industry is accomplishing in conserving energy

(4) Deepwater Ports -- legislation will probably not propose financing out of tax dollars and could be supported by MCA

(5) Solid Waste -- could be a pertinent matter in the energy area

(6) Natural Gas

(7) Export Controls

(8) Energy statistics and information -- this is an area which will bear watching

(9) Oil Storage Program

B. Toxic Substances -- In the absence of Mr. Manatos, Mr. Stover reported that the bill remains in conference and there is no clear indication when meetings will resume. The Subcommittee will be prepared to act when the next conference date is announced. Attention was called to related hearings in the Senate Commerce Committee as to possible hazards of cosmetics.

C. Taxation -- Mr. Shafer and Mr. Robinson reported on the status of tax reform legislation. It appears that the Ways and Means Committee will go directly to mark-up in March or April. Areas under consideration will be deferral, tax credit, minimum tax, etc.

There will also be hearings March 26 on the proposed Section 861 IRS regulations, with MCA's witness being John R. Malloy of duPont.

Mr. Buehler pointed out that the oil company tax measure currently being considered by Ways and Means presents several dangerous precedents which might carry over to general tax reform areas, including the phase-out of depletion, removal of the country-by-country option in regard to foreign tax credits, etc.

D. Trade -- Mr. Robinson reported that no mention was made of foreign source taxation in the Senate trade bill hearings on March 4, however, this continues to be an area of concern. It can be anticipated that Senators Hartke and Mondale might mount an effort.

Mr. Kent reported that OCITA chief Dawson believes that there is an open season on taxation provisions as regards multinational corporations.

No date has yet been set for testimony by public witnesses but Senator Long has made statements calling for a strong trade bill, with no indication of what approach he favors.

When the opportunity arises, MCA will testify before the Senate Finance Committee as a part of a three-member panel. Other participants will be Dr. Dawson on behalf of OCITA, and SOCMA.

E. Solid Waste -- Mr. Buehler reported that consideration of a solid waste bill continues in the Senate Commerce Subcommittee. Working paper No. 1 has now been issued, which may even be worse than the original bill. A Commerce executive session is expected tomorrow

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and a second working draft will appear by the end of the week. He expressed the view that this is an extremely important matter which could result in new law during the 93rd Congress.

F. OSHA -- Mr. Conner reported for the Subcommittee, mentioning a meeting on hazardous substances, and oversight hearings to be held March 19 and 20.

G. Water Resources -- Mr. Bellows reported that Congressman Wright, Chairman of the House Public Works Subcommittee on Investigations, has conducted hearings on the water grants program. He has found that EPA and the Administration have released only a small portion of authorized funds as against a target of $3 billion.

It is possible that the Wright subcommittee might be encouraged to conduct additional hearings on the water quality act, with emphasis on industry experiences and problems.

4. Reports of Liaison Representatives

Transportation -- Mr. Woolley reported on efforts to amend Section 311 of the Water Quality Act by an ad hoc group headed by the Waterways Operators. Both Mr. Woolley and Mr. Watts of the MCA staff are working with this group. They are focusing on the $5 million penalty limit for spills of hazardous polluting substances in the navigable waterways of the U. S. The effective date of the penalty is October 1. Assessments are currently being made as to the possibility for modification of this provision or a postponement of the effective date.

5. Other Legislative and Regulatory Matters

A. Mr. Stover announced that we have learned Mr. W. Wayne Albright, formerly with Chemplex Company, is now with the Federal Energy Office in Washington. His duties include monitoring of the petrochemical industry. His address is: Federal Energy Office, Columbia Plaza, 23rd and E Streets, N. W., Washington, D. C. (Telephone: 634-6093).

B. Mr. Stover and Mr. Clark reported on a February 21 briefing conducted by MCA for personnel of EPA's Hazardous Materials Control Department.

C. Economic Policy Review Committee -- Mr. Williams reported on progress in achieving decontrols of the chemical industry, energy developments, and a new series of hearings on the Industrial Reorganization Act (auto industry).

Mr. Kent reported that the land use measure has apparently now been temporarily bottled up in the House Rules Committee.

Having completed consideration of agenda items, the Committee adjourned at 3:40 p.m.

Respectfully submitted,

William M. Stover, Secretary
Government Relations Committee

Subject to approval

cc: Lloyd Symington, Esq.