

A G E N D A
MEETING OF THE CMA BOARD OF DIRECTORS
Monday and Tuesday, January 28-29, 1985
Boca Raton Hotel (Mizner Room), Boca Raton, Florida

Monday, January 28 - 8:30 a.m.

TAB

8:30-8:35 a.m. 1. Call to Order and Approval of Minutes of
October 30, 1984 -- Chairman Holmer

8:35-9:35 2. Bhopal Incident -- Warren M. Anderson,
Union Carbide Corporation

9:35-9:50 3. Clean Sites, Inc. Status Report --
John A. Klacsmann, Clean Sites, Inc.

9:50-10:15 4. Report of the Office of the Chemical Industry
Trade Advisor -- Leo H. Johnstone

10:15-10:30 5. Groundwater Work Plan -- Thomas M. Hellman,
Allied Corporation

10:30-11:00 6. Standing Committee Reports:

a. Chemical Regulations Advisory Committee
Chairman: J. Ronald Condray, Monsanto
Company

b. Communications Committee
Chairman: John F. Hussey, Monsanto
Company

c. Distribution Committee
Vice Chairman: Keith J. Bunting, Dow
Chemical U.S.A.

d. International Trade Committee
Chairman: Allan J. Spilner, Rohm and Haas
Company

11:00-11:30 7. President's Report on Association Programs and
Issues -- R. A. Roland

11:30-11:45 8. Member Services -- V. H. Peterson, CMA

11:45 9. Adjournment

This Board meeting will continue Tuesday,
January 29, beginning at 8:00 a.m., in
the Mizner Room.

Next meeting of the Board of Directors: 10:30 a.m., Tuesday,
April 2, 1985, CMA Headquarters, Washington, D. C.

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Agenda - Meeting of the CMA Board of Directors (continued)

Tuesday, January 29 -- 8:00 a.m.

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8:00 a.m.	1. Call to Order -- Chairman Holmer	
8:00-8:05	2. Treasurer's Report -- G. C. Herrman	3
8:05-8:15	3. Report of the Executive Committee -- Chairman Sella	
8:15-8:20	4. Report of the Employee Benefits Committee -- Chairman Leahy	
8:20-8:25	5. Report of the President -- R. A. Roland Proposed Special Programs: a. 2-Ethylhexanoic Acid b. Dibenzofurans and Dibenzodioxins	4
8:25-9:15	6. Bhopal Incident: Industry Action Plan -- R. A. Roland and E. Hamilton Hurst, Nalco Chemical Company	
9:15-9:30	7. Chemical Industry Mutual Aid Network (CHEMNET) Proposal -- Keith J. Bunting, Dow Chemical U.S.A.	5
9:30-9:40	8. Export of Hazardous Substances Policy -- Allan J. Spilner, Rohm and Haas Company	6
9:40-9:50	9. Right-to-Know Guidelines -- Harry A. Eschenbach, W. R. Grace & Co.	7
9:50-10:35	10. Superfund Reauthorization: a. Overview of Association Activities and Development of Work Plan -- W. M. Stover b. Legislative Report -- Wells Denyes, Eastman Kodak Company c. Policy Development and Technical Issues -- Juliane H. Van Egmond, American Cyanamid Company d. Tax and Funding Issues -- Thomas G. Singley, Shell Chemical Company e. Economic Impact -- Hugh R. Irvine, Exxon Chemical Americas	8
10:35-10:55	11. Public Compensation -- Bruce W. Karrh, M.D., E. I. du Pont de Nemours & Company a. UAREP Action Plan b. Public Compensation Work Plan	9 10

(continued)

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Agenda - Meeting of the CMA Board of Directors (continued)

Tuesday, January 29 -- 8:00 a.m.

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| 10:55-11:10 | 12. TSCA Reauthorization -- J. Ronald Condray,
Monsanto Company | 11 |
| 11:10-11:25 | 13. Standing Committee Reports: | |
| | a. Occupational Safety and Health Committee
Chairman: Harry A. Eschenbach, W. R. Grace
& Co. | |
| 11:25-11:40 | b. Patent and Trademark Committee
Chairman: Richard C. Witte, The Procter &
Gamble Company | |
| 11:40-11:55 | c. Tax Policy Committee
Chairman: William M. Bellamy, Jr., Union
Carbide Corporation | |
| 11:55-Noon | 14. New Business | |
| Noon | 15. Adjournment | |

CMA 074957

MINUTES of the three-hundredth first meeting of the Board of Directors of the Chemical Manufacturers Association, Inc., held in the Mizner Room, Boca Raton Hotel, Boca Raton, Florida, on Monday and Tuesday, January 28 and 29, 1985, at 8:30 a.m. There were present:

Directors:

Edwin C. Holmer, Chairman	
W. H. Clark, Jr., Vice Chairman	
Richard G. Askew (1)	Hans H. Kopper
Lee K. Bailey	Sidney M. Leahy
Max S. Bass	Richard J. Mahoney
Alan Belzer (1)	Robert H. Malott (2)
Louis W. Cabot	Robert L. Mitchell (1)
Robert D. Cadieux	Fred W. Montanari
Paul W. Chellgren	L. John Polite, Jr.
Harry Corless	C. Robert Powell
Ralph S. Cunningham	Toy F. Reid (1)
Robert W. Davis	Thomas E. Reilly, Jr.
Keith H. Edmondson (1)	Robert A. Roland
Robert B. Fell (1)	David L. Rooke
John T. Files (2)	Vincent A. Sarni
Joseph P. Flannery	George J. Sella, Jr.
Robert C. Forney	Donald F. Smith
Vincent L. Gregory, Jr.	Harold A. Sorgenti
Ben C. Hayton	Charles E. Stewart
P. W. Ifland	S. Jay Stewart
Ray R. Irani	Otto Sturzenegger
John W. Johnstone, Jr.	William Wishnick (1)
Robert D. Kennedy	

Secretary:

Charles W. Van Vlack

Treasurer:

Gary C. Herrman

General Counsel:

David F. Zoll

By Invitation:

Peter R. Agnew, CMA (2)
 Stuart T. Allen, SOCMA, E. I. du Pont de Nemours & Company
 Warren M. Anderson, Union Carbide Corporation (1)
 David L. Baird, Jr., Exxon Chemical Company
 Dexter F. Baker, Air Products and Chemicals, Inc. (1)
 William M. Bellamy, Jr., Union Carbide Corporation (2)
 Keith J. Bunting, Dow Chemical U.S.A.
 J. R. Condray, Monsanto Company
 Geraldine V. Cox, CMA
 Wells Denyes, Eastman Kodak Company
 Harry A. Eschenbach, W. R. Grace & Co.
 Thomas M. Hellman, Allied Corporation (1)
 Jon C. Holtzman, CMA
 E. Hamilton Hurst, Nalco Chemical Company
 John F. Hussey, Monsanto Company (1)

Hugh R. Irvine, Exxon Chemical Americas (2)
 Leo H. Johnstone, Jr., Great Lakes Chemical Corporation (1)
 Bruce W. Karrh, M.D., E. I. du Pont de Nemours & Company
 John A. Klacsmann, Clean Sites, Inc.
 Leslie F. Nute, Dow Chemical U.S.A. (2)
 Victor H. Peterson, CMA (1)
 Vernon R. Rice, E. I. du Pont de Nemours & Company
 Randal P. Schumacher, CMA
 Thomas G. Singley, Shell Chemical Company
 Allan J. Spilner, Rohm and Haas Company
 William M. Stover, CMA
 Juliane H. Van Egmond, American Cyanamid Company
 Gabrielle H. Williamson, CMA (2)
 Richard C. Witte, The Procter & Gamble Company (2)

(1) First day only
 (2) Second day only

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1. MINUTES OF THE OCTOBER 30, 1984, MEETING

The meeting was called to order by Chairman Holmer. The minutes of the October 30, 1984, Board meeting were approved as distributed.

2. BHOPAL INCIDENT

Mr. Anderson made a presentation on the Bhopal incident and how Union Carbide, the Indian government, the media, and the various levels and branches of the government in the United States had responded and reacted to the incident.

3. CLEAN SITES, INC. - STATUS REPORT

Dr. Klacsmann reported on the status of Clean Sites, Inc. (CSI) and the progress which had been made on getting organized and moving forward with CSI's mission. Highlights of his report included:

- CSI priorities of site review and selection, as well as CSI idemnification from potential liabilities. As soon as the idemnification issue is resolved, CSI has selected six sites for immediate involvement.
- CSI role as a third party facilitator to remove obstacles to clean up.
- CSI's ability to assess fees at various stages of its site involvement.
- Development of a CSI newsletter.

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- Encouraged member companies to seek CSI assistance at sites.
- Balancing public disclosure and confidentiality requirements.
- Recruitment of key staff professionals.
- Status of revenue-raising efforts.
- Effect of personnel changes at EPA.

Following his report, discussion followed concerning many of these issues. Copies of the slides used in Mr. Klacsmann's presentation are attached as Exhibit A. Mr. Holmer reported that favorable changes in EPA's settlement policy were expected to be finalized shortly and that the CSI/EPA discussions had contributed to making these changes possible.

4. REPORT OF THE CHEMICAL INDUSTRY TRADE ADVISOR

Mr. Johnstone's report is attached as Exhibit B. As this was Mr. Johnstone's final report, Chairman Holmer, on behalf of the Board, expressed his appreciation for the excellent work he had done on behalf of the industry. Highlights of Mr. Johnstone's report included:

- Continued tension between free trade and protectionist policies.
- Growth in the number of countries (87) now participating in GATT, and the changes that have come about in that system and changes required in U.S. policy.
- Required improvements in U.S. trade laws to meet present challenges.
- Increasing chemical imports in the face of static exports.
- Impact of strong dollar and other currency valuation impacts.
- Expected GATT negotiations to begin as early as 1986.
- Need for the chemical industry to develop and advocate pragmatic solutions to the problems which confront the industry.
- Need for top-level company personnel to be involved in international trade.
- Proposal for a new high-level Trade Policy Committee.
- Perspective on the roles and functions of the U.S. Trade Representative and the Department of Commerce.

Chairman Holmer indicated that Dexter Baker, President of Air Products and Chemicals, Inc., had agreed to succeed Mr. Johnstone as the Chemical Industry Trade Advisor.

5. GROUNDWATER WORK PLAN

Mr. Hellman's report on the progress in developing and implementing the groundwater work plan since his last report in September is attached as Exhibit C. The report focused in three areas: (1) management of the multidisciplinary project through a groundwater coordinating committee; (2) substantive programs under way in the areas of groundwater testing protocols, Safe Drinking Water Act (SDWA) reauthorization, solid waste technology workshop, development of RCRA groundwater standards compliance, superfund issues such as how-clean-is-clean, various state affairs projects and a groundwater communications project; and (3) identification of resource requirements which will be brought forward in the normal budget process. Mr. Hellman indicated that the Association's issue management process was working well with respect to groundwater.

6. STANDING COMMITTEE REPORTS

a. Chemical Regulations Advisory Committee Mr. Condray's report is attached as Exhibit D. Highlights of his report included:

- Evolution of TSCA and the role of CRAC.
- New chemical issues.
- Existing chemical issues.
- Review of TSCA reauthorization needs and posture.

Following Mr. Condray's report, Mr. Roland commented on the pending committee reorganization and the excellent work the CRAC committee had performed during the past ten years. Mr. Reilly also indicated his gratitude for the committee's work on making TSCA a workable law.

b. Communications Committee Mr. Hussey's report is attached as Exhibit E. Highlights of his report included the need to develop fresh approaches in the communications area to build and restore the public's trust in the industry. Areas where he felt progress could be made were media visits, right-to-know, speaker's bureau, establishment of a chemical information center, public opinion survey work, and targeted advertising. Mr. Hussey recommended an increased effort in the communications area and proposed increased involvement by the Board in that effort. Chairman Holmer indicated that the committee's recommendation would be reviewed by the Officers and the Executive Committee prior to referral to the Board for final action.

c. Distribution Committee Mr. Bunting's report is attached as Exhibit F. Highlights of his report included:

- Increased emphasis on safety and related issues by the committee:
- Motor carrier safety program.
- Chemical Industry Mutual Aid Network (CHEMNET).
- Continued success of CHEMTREC.

In response to a question from Mr. Sella on the impact of Phopal on distribution issues, Mr. Bunting indicated that the major activity to date was in the area of product and container classification.

d. International Trade Committee Mr. Spilner's report is attached as Exhibit G. In his report he indicated that 1984 was a good year for the industry as a whole, but some sectors such as petrochemicals did not do as well. While there was still a positive balance of trade, it narrowed further. The strength of the dollar contributed to trade problems, but other elements include: unneeded petrochemical investment abroad, decreasing competition in U.S. and foreign markets, nontariff barriers, and violation of intellectual property rights. Mr. Holmer urged that in light of the growing importance of international trade that member companies provide senior-level individuals to serve on the International Trade Committee and its task groups.

7. PRESIDENT'S REPORT ON PROGRAMS AND ISSUES

Mr. Roland's report is attached as Exhibit H. He indicated that this report was a renewed attempt to integrate the various departmental activities along issue lines. He solicited comments and suggestions from the Board on the new report format. Highlights of his report, as augmented by the comments of Messrs. Holtzman and Stover and Dr. Cox, included:

- EPA's new interim Superfund settlement policy.
- Superfund communication and media tour program.
- Council of Chemical Associations' RCRA seminars.
- Joint AAR/CMA rail safety program.
- CHEMNET service is now available in Canada.
- Tax policy issues.
- Superfund grassroots seminar in Washington on March 13.

8. REPORT ON MEMBER SERVICES

Mr. Peterson, who has retired as of January 1, 1985, presented his final report on member services activities. He highlighted the evolution of the state chemical councils over the past several years and indicated that there was an ongoing opportunity and need to continue to provide leadership and support to their efforts. He urged Board members to continue their active support as members of the individual state organizations. Mr. Holmer, on behalf of the Board, expressed the Association's gratitude to Mr. Peterson for his many years of service to the industry.

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The Board adjourned at 11:40 a.m. until 8:00 a.m.
Tuesday, January 29, 1985.

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9. TREASURER'S REPORT

Mr. Herrman reported that the December 31 Treasurer's Report, which is attached as Exhibit I, has been mailed to the Board. The report indicates that overall revenue and expenses are tracking within the amended budget levels and that dues payments have been received in full from all member companies. With respect to the upcoming budget year, requests for 1984 calendar year chemical sales have been mailed and member companies were urged to return that data as soon as possible if they had not already done so.

10. REPORT OF THE EXECUTIVE COMMITTEE

Chairman Sella reported the following actions taken by the Executive Committee the preceding day:

- a. Discussion of the status and outlook of Clean Sites, Inc. Requested a follow-up report at the March Executive Committee meeting.
- b. Approved for Board action various Superfund position papers. Requested additional input on the viability of being more proactive on joint and several liability.
- c. Approved for Board action a proposal for a Superfund contingency tax on manufacturing to be developed jointly with API.
- d. Heard a report on the Association budget and dues outlook for 1985/86.
- e. Approved for Board action a Bhopal response program incorporating a community awareness and emergency response program, and the creation of a National Chemical Information Center.

11. REPORT OF EMPLOYEE BENEFITS COMMITTEE

Chairman Leahy reported that at the request of the Board at the October meeting, the Employee Benefits Committee conducted a survey of the member companies represented on the Board. The purpose of this survey was to determine what the industry practice had been since 1979 with respect to providing adjustments for cost-of-living increases. Thirty-seven companies responded and of those, only four indicated that no adjustment had been made or was not contemplated. The vast majority of those responding had made adjustments and would continue to review their plans for appropriate adjustments in the future. Based upon the survey results, the committee recommended approval of an ad hoc cost-of-living increase for Association retirees.

ON MOTION, duly made and seconded, it was

VOTED: To approve the purchase of an annuity to provide an increase to Association retirees as specifically provided in Exhibit J.

12. REPORT OF THE PRESIDENT

a. Health and Safety Committee Mr. Roland reported that the Executive Committee had approved a proposal to consolidate the activities of the existing Chemical Regulations Advisory Committee, Occupational Safety and Health Committee, and Public Compensation Task Group into a new Health and Safety Committee.

b. Special Programs Mr. Roland also reported that special programs on 2-Ethylhexanoic Acid and on Dibenzofurans and Dibenzodioxins had been approved by the Executive Committee.

13. BHOPAL INCIDENT: INDUSTRY ACTION PLAN

Chairman Holmer reviewed the actions the Officers had taken since the Bhopal incident and expressed their collective belief that the industry needed to take positive actions very quickly in response to the issues and concerns which had been raised. To meet this need, the officers had appointed Hamilton Hurst of Nalco to chair an ad hoc committee and coordinate their efforts through a staff team headed by Mr. Roland.

Mr. Roland reported on the Association's response to date and generally described the proposed program and action plan which the Executive Committee had approved the previous day for Board consideration. This consisted of the:

- Board Statement on Health, Safety and Environmental Quality, approved in September 1983.
- Ongoing review and revision, if necessary, of the Association's activities and positions in all of the existing advocacy programs.
- Development of two new initiatives:
 - Community Awareness and Emergency Response (CAER) program.
 - Establishment of a National Chemical Information Center.

Mr. Hurst described the purpose of the proposed CAER program and reported on the progress the CAER work group had made in outlining the elements of the program. The group hopes to complete work on developing a program and supporting materials by sometime in March.

Mr. Roland described the purpose of the proposed National Chemical Information Center which would include programs on emergency response, training and education, and providing hazard information to the public. The Executive Committee endorsed the NCIC program in concept and indicated an initial preference for an information networking system rather than a complete computer-based MSDS repository at CMA. The NCIC work group, however, would examine the options and make subsequent recommendations for action.

Considerable discussion followed concerning the proposed programs and the importance of member company commitment at the corporate and the plant level to making the programs a reality.

ON MOTION, duly made and seconded,
it was

VOTED: To approve the proposed Bhopal response program as set forth in Exhibit K.

14. CHEMICAL INDUSTRY MUTUAL AID NETWORK

Mr. Bunting presented the proposal for the establishment of a formal Chemical Industry Mutual Aid Network (CHEMNET).

ON MOTION, duly made and seconded,
it was

VOTED: To approve the CHEMNET proposal as set forth in Exhibit L, with the understanding that the actual language of the CHEMNET agreement would be resolved to meet certain legal concerns.

15. EXPORT OF HAZARDOUS SUBSTANCES

Mr. Spilner reported on the status of proposals to regulate the export of hazardous substances. He indicated that the proposed position had been approved by all effected CMA committees and had been coordinated with key allied associations.

ON MOTION, duly made and seconded,
it was

VOTED: To approve the recommendation, as set forth in the attached Exhibit M, for CMA to actively support publication of the latest reported draft of the White House policy on the export of hazardous substances.

16. STATE HAZARD COMMUNICATION PROGRAM

Mr. Eschenbach presented a package of interim guidelines for state programs on hazard communication (right-to-know). The major new element of the guidelines is support for expansion of the federal hazard communication program to all employees through the mechanism of approved state plans. Discussion followed concerning the possible extension of employee coverage at the federal level and coordination of the guidelines with allied trade associations.

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ON MOTION, duly made and seconded,
it was

VOTED: To approve the interim guidelines
for state programs on hazard communications
as set forth in Exhibit N.

17. SUPERFUND REAUTHORIZATION

a. Association Activities Mr. Stover highlighted the various Association programs and activities under way with respect to Superfund reauthorization. A revised work plan was distributed.

b. Legislative Report Mr. Denyes' report is attached as Exhibit O. Highlights of his report included legislation introduced in the Senate by Senator Stafford and by Senators Bentsen and Moynihan. An administration bill is expected to be introduced by mid-February and Rep. Florio is expected to reintroduce a revised bill in the near future.

c. Policy Positions Mr. Stover and Mrs. Van Egmond presented a package of recommended CMA positions on Superfund issues raised in the reauthorization process. With respect to the position on joint and several liability, a further evaluation on the possibility of the Association being more aggressive in seeking favorable changes in this liability will be presented to the Executive Committee at the March meeting.

ON MOTION, duly made and seconded,
it was

VOTED: To approve the proposed
package of recommended positions
on Superfund reauthorization issues
as set forth in Exhibit P.

d. Funding and Tax Issues Chairman Holmer commented on the efforts to date with the American Petroleum Institute (API) to develop a common position on fund size and revenue issues.

Mr. Singley reviewed the existing CMA position on fund size and revenue sources. This position supports a fund not exceeding \$1 billion to be funded from a combination of sources including:

- Continuation of the current feedstock tax.
- Enactment of a national waste-end tax of \$50 per dry weight ton.
- Use of general revenues,
- Inclusion of interest payments, recoveries from responsible parties and borrowing against future revenues.

Mr. Singley then reviewed in detail the various proposals which were being discussed with API for alternative sources of revenues. Following discussion of the various options, Chairman Holmer stated that in his opinion the important issue to be resolved was an agreement in principle to work with API to seek their support of CMA's position on fund size, fund use, and primary sources of revenue, while also seeking common agreement on an alternative broad-based tax to be used as a contingency.

ON MOTION, duly made and seconded,
it was

VOTED: To approve the concept of a broad-based tax on manufacturing, to be used as a contingency, and to approve a joint CMA/API effort to agree on a mutually preferred mechanism.

e. Economic Impact Mr. Irvine reported on the activities of the economic impact group and indicated that a blind survey was being distributed to those companies currently paying feedstock tax. He urged those companies to respond to the survey as soon as possible so that the results could be made available to the advocacy effort in the near future.

18. PUBLIC COMPENSATION

- a. UAREP Study Dr. Karrh's report is attached as Exhibit Q.
- b. Public Compensation Work Plan Dr. Karrh's report is attached as Exhibit R.

ON MOTION, duly made and seconded,
it was

VOTED: To approve the public compensation work plan as set forth in Exhibit Q, including specific authority to develop the "insurance" concept more fully and determine it's economic feasibility; and to support the concept of public health surveillance of CERCLA sites and ATSDR's role under Superfund, and to support as well state public health surveillance consistent with ATSDR's standards.

19. TSCA REAUTHORIZATION

Mr. Condray's report is attached as Exhibit S.

ON MOTION, duly made and seconded, it
was

VOTED: To approve the TSCA reauthorization strategy and work plan as set forth in Exhibit S.

20. STANDING COMMITTEE REPORTS

- a. Occupational Safety and Health Committee Mr. Eschenbach's remarks are attached as Exhibit T. Highlights of the report included committee activities in the following areas:

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- Process safety.
- Community right-to-know.
- Reproductive hazards.
- Neurobehavioral issues.
- Communication, education and training.
- ASPER report analysis.
- Material safety data sheets.

b. Patent and Trademark Committee Mr. Witte's remarks are attached as Exhibit U.

c. Tax Policy Committee Mr. Bellamy's remarks are attached as Exhibit V.

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On motion, duly made and seconded, the meeting adjourned at 11:40 a.m.



Charles W. Van Vlack
Corporate Secretary

Certified correct:



Edwin C. Holmer
Chairman of the Board