

EXHIBIT D

REPORT BY DIRECTOR OF GOVERNMENT RELATIONS: William M. Stover
TO MCA BOARD OF DIRECTORS, SEPTEMBER 11, 1973

KANE SUBCOMMITTEE STUDY PRODUCING RESULTS

Late last Spring a subcommittee of the Board of Directors completed an intensive study of Association effectiveness, with special emphasis on activities in Washington, D. C. Acting on the recommendations contained in the final report, steps have been taken to improve communication and coordinated action within the Association, and to enhance our effectiveness with the Congress and administrative agencies.

Among the recommendations of the Kane Subcommittee was increased participation in Washington activities by Board members themselves, and initial efforts to bring this about have met with enthusiastic cooperation. On July 10 the MCA Executive Committee held a joint meeting with the Government Relations Committee at Congressional Country Club near Washington, D. C. The meeting offered an opportunity to discuss the full range of GRC activities in Washington, and to receive reports on such key legislative issues as trade and toxic substances legislation. At the conclusion of the morning's business session, we enjoyed an informal luncheon, where we were joined by Members of the Congress, Administration officials and staff personnel. The afternoon was devoted to golf. In all, 55 persons took part in the day's events, and another such joint meeting and outing is planned for next year.

Another element in widening MCA Board exposure to the Washington scene is the scheduling of the October and January Board meetings in the Nation's Capital, so as to coincide with our CHEMICAL FORUM luncheon series. As you know, these luncheons feature well-known speakers and timely topics, and the audience is liberally sprinkled with Congressmen, Agency officials and business leaders. I am pleased to announce that the programs for the October and January CHEMICAL FORUM luncheons have been confirmed. Your speaker on Tuesday, October 9, at the Mayflower Hotel, will be the Honorable Hubert H. Humphrey, former Vice President of the United States and presently serving as a U. S. Senator from Minnesota. On Tuesday, January 8, 1974, at The Madison Hotel, you will be addressed by the Honorable Gerald R. Ford, Member of Congress from the Fifth District of Michigan, and the Minority Leader of the U. S. House of Representatives.

CMA 070150

In responding to other elements of the Kane Subcommittee study, the Government Relations Department has undertaken several organizational initiatives. A member of the Department staff has been assigned in a liaison capacity to each of MCA's technical and functional committees. This more formalized procedure has already produced improved communications and a smoother working relationship between the various action-arms of the Association.

As a parallel step, consideration was given to creating a more structured framework within the Government Relations Committee. An Executive Committee of the GRC was formed to counsel the chairman on committee operations, policy and strategy, and liaison with other elements of the Association.

A detailed survey of the members of the Government Relations Committee has been conducted to identify high-priority legislative concerns. The results of this survey were then utilized in two additional actions: the appointment of GRC Liaison Representatives to other MCA committees; and, the naming of Legislative Strategy Subcommittees in certain high-priority areas.

Its Liaison Representatives will furnish the Government Relations Committee with additional direct feedback on the activities and concerns of the key MCA committees to which they are assigned. In addition, they can serve as an immediate source of information and counsel in Governmental matters to the respective technical and functional committees.

Legislative Strategy Subcommittees of the GRC are now at work in high-priority areas where there is current Federal decision-making activity. Subcommittees are composed of Washington operatives with knowledge and experience in the assigned issue. They monitor developments in Congress and the administrative agencies on a daily basis, suggest strategy and action initiatives to the full Committee where appropriate, and have an important role in pursuing MCA objectives.

As an example of how our new organizational tools are being put to use, consider one troublesome aspect of the pending toxic substances control legislation: the relationship of a new law to those environmental laws already enacted and in effect. At one time, bills in both the House and Senate would have permitted the Administrator of the Environmental Protection Agency to pick-and-choose between several laws in deciding how to regulate against a toxic pollutant problem. At his own discretion, he could have decided to invoke either the Clean Air Act,

the Water Pollution Control Act, or a new Toxic Substances Control Act. Such sweeping discretionary authority, while making things easy for EPA, would obviously have created serious problems for industry: it would severely limit flexibility of action; it would create uncertainty and delay; it would invite internal competition between EPA departments; it could superimpose the Administrator's discretion over the carefully structured procedures of the other two Acts -- Acts specifically drawn to get at the problems of pollution in the media of air and water.

The Government Relations Committee's Subcommittee on Toxic Substances, together with the MCA staff, set out to expose the drawbacks in this ill-conceived approach.

In the House there was an opportunity to make our case with members of the Committee on Interstate and Foreign Commerce before their version of the bill was reported. A "white paper" was drawn up. Visits to Congressmen were arranged. A sympathetic spokesman within the Committee was found. Support was generated through wires and letters. As a result, when the matter was brought up for consideration the Committee adopted a much-improved compromise approach -- an approach which was later sustained against damaging amendment on the Floor of the House.

In the Senate, our Toxic Substances Subcommittee determined that amendment in the Commerce Committee was not feasible, and so decided to attempt to secure a constructive change during Senate floor debate. Our case was presented to an influential Senator who had been active in the drafting of both the Clean Air Act and the Water Pollution Control Act. Convinced that our views had merit, he in turn was able to work out compromise language which represents substantial improvement over the previous version. As a result, when our amendment was offered on the Senate Floor, it was accepted without dissent by the spokesman for the parent Committee, and was adopted by voice vote.

At present, the two versions of the Toxic Substances Control Act are awaiting action by a House-Senate conference which will attempt to resolve the differences. MCA's Ad Hoc Committee on Chemicals Regulation has expressed its preferences with regard to action by the conferees. The Toxic Substances Subcommittee of the GRC is now actively engaged in telling our story to the conferees. A side-by-side comparison of the two texts has been assembled, together with MCA's suggestions for resolving differences in language. A "white paper" has been drafted emphasizing our concerns on the most critical points which must be resolved. Members of our Subcommittee plan to visit every member of the

conference committee by September 14 so that the Association's position can be discussed frankly and informally in a face-to-face meeting. Developments are being monitored on a day-to-day basis and pertinent information relayed through the appropriate MCA channels.

We are encouraged by the results thus far achieved through the new framework of departmental assignments and committee organization in the government relations area. We will continue to seek further refinements which can add to the efficiency and effectiveness of the Association's Washington activities.