

CHEMICAL MANUFACTURERS ASSOCIATION

State Affairs Committee
Sacramento Open Meeting
January 28, 1988

MINUTES OF MEETING

SAC-33-1

MEMBERS ATTENDING

Jack Brewer, Chairman	Olin Corporation
Geoffrey Hurwitz, Vice-Chairman	Rohm & Haas
Richard Arnold	Allied-Signal
Jerry Chambers	American Cyanamid
Garth Fort	Monsanto Company
William Lafield	Shell Oil
Ralph Loomis	CIBA-GEIGY Corporation
James Murray	Union Carbide
Jerry Ring (for Ben Woodhouse)	Dow Chemical
Ron Roberts	Borg-Warner Chemicals
Benjamin Schuster	ARCO Chemical Company
Colbert Wilhite	Du Pont
Debbie Witmer	FMC Corporation
William Westendorf, Staff Executive	CMA

PRESENT BY INVITATION

Patricia Allen	BP Chemicals America
Robert Ball	Exxon Chemical Americas
William Buckley	Eastman Kodak
John Cardella	Dow Corning
David Carroll	CMA
Jayne Davis	CMA
Ken Davis	Monsanto Company
Richard Davis	CICC
Alberto Delgado	American Cyanamid
Ian H. Dunn	Du Pont
James Duguesnel	ICI Pharmaceuticals
Larry Gallo	CMA
John Hassell	FMC Corporation
Mary Heaton	CMA
Graham Jackson	Nalco Chemical Company
Dorothy Kellogg	CMA
Hinton Lucas	Du Pont
Vincente Morando	Engelhard Corporation

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PRESENT BY INVITATION (continued)

Deborah Neale	BF Goodrich
Joan Riley	CMA
Robert Shay	ICI Pharmaceuticals
Don Stieghan	ARCO Chemical Company
Nora Super	CMA
Jack Toslosky	Union Carbide Corporation

MEMBERS ABSENT

Timothy Holt	Air Products & Chemicals
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The meeting was called to order at 8:30 a.m. by Jack Brewer. The minutes of the previous meeting were approved with one change to page 2, fifth paragraph, which should read: John Hunter, Contract Lobbyist for EWG needs help... All action items were completed with the exception of the distribution of the PBN PR proposal regarding Prop. 65 to the SAC.

1. Geoff Hurwitz, Chairman of the State Advocacy Work Group, reported on his presentation to the CMA Board at their meeting in Boca Raton, Florida. Geoff, Hal Bozarth of the New Jersey CIC, Charlie Van Vlack, and Bill Westendorf discussed state advocacy with the Board Committee chaired by Earl Harbison of Monsanto. The discussion lasted over four hours and resulted in the formation of a sub-group chaired by Bob Davis of Chevron together with Quinn Stepan of Stepan Chemical and Pete Ifland of Procter and Gamble along with Geoff, Hal, Charlie, Bill and other SAC members to be identified. This group will meet February 25, 1988 in Houston, TX to study CMA's state advocacy with CIC's and member companies. Another meeting will be scheduled in March and final recommendations presented to the full Board at their meeting in June.

ACTION ITEM: Larry Gallo will send to the SAC 1) meeting minutes of the Harbison group meeting and 2) copies of Geoff's outline of his presentation to the Harbison committee.

2. Jim Murray reported on his presentation to the Board on the progress of the STI Work Group (in the absence of Mr. Lorentzen). The Board approved of the principles for a Prop. 65 alternative framework, and contingency funding plans for STI activities. Bob Roland will send an executive letter to all CMA member executive contacts summarizing the Board's recommendation on the alternative framework and contingency funding.

Larry Gallo discussed the latest meeting of the Washington Proposition 65 Coalition. The coalition has some 35 members consisting of allied chemical industry trade associations, other business sector groups, the U.S. Chamber of Commerce and the National Association of Manufacturers. The group meets monthly at CMA Headquarters and shares information on Proposition 65 implementation in California and potential legislation in other states.

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3. Mary Heaton reported on the Tort Reform Task Group with reference to Tab 5 of the meeting book, which described the successful tort reform efforts of 1986 and 1987 in the United States. She also described a white paper on tort reform, which will address tort reform and liability from the economic viewpoint. The American Legislative Exchange Council (ALEC) has a recent issue of their "State Factor" devoted to the subject of tort reform.

Finally, Mary pointed out that the task group is concerned about the possibility of additional tort changes when the SARA Title III data is made available to the public.

ACTION ITEM: 1) Mary Heaton will send copies of the White Paper to the SAC when available. 2) SAC members are asked to monitor their respective states for any court interpretations of recent changes in tort law in the states.

4. Dick Arnold, Chairman of the Information Management Task Group, said that IPA was now on line with SCAN and that there were twice as many bills as before. SCAN has added a new feature called "Week in Review" which summarizes some of the major events both within CMA and also in the legislatures. There will be a new manual for SCAN available in the near future and the task group now is concentrating on a marketing program to expand membership and usage. Garth Fort recommended that the Hotline availability should be put on most mailings to assure that people know of the program.

5. An update of progress on SARA Title III was given by Geoff Hurwitz. CMA has completed a guidance paper on Title III funding at the state and local level. Bob Ball questioned whether we are working with Florida on this while Garth Fort questioned why the CMA position was against filing fees. Geoff pointed out that this is not policy but just guidance. The funding paper has been distributed to all CMA committees, CIC's and other state contacts.

6. STATE REPORTS

LOUISIANA - Jack Brewer indicated there is industry concern over who will be the new head of the environmental agency. The Louisiana Association of Business and Industry is working with AIHC to develop a one-day program involving the media and the legislature to help diffuse the Proposition 65 movement in the state.

DELAWARE - Garth Fort questioned whether CMA is active in the hostile takeover bill. The answer was no, but Du Pont and the CIC are active. It passed the House with some changes and Colbert Wilhite said it will pass the Senate. Colbert also reported that tort reform suggestions have been given to the leaders and should be filed within a week.

TENNESSEE - Geoff Hurwitz said there was an unfavorable groundwater bill in Tennessee which was included in the meeting book under Tab 8. The bill would appear to affect agriculture primarily.

NORTH CAROLINA - Debbie Witmer described the formation of the new CIC in that state. One of their first projects will be to work with CMA on a Title III workshop. The initial funding of the CIC will be about \$25,000. CMA will assist in the membership drive.

ACTION ITEM: Becky Chidester will send a brief summary of the new organization together with its organization and its bylaws to all SAC members.

SOUTH CAROLINA - Recently some television stations in California carried a film titled "For Your Family's Sake" which was essentially a pro-Proposition 65 film. Bob Ball reported that this film had also appeared in Houston.

ACTION ITEM: Larry Gallo, working with Jayne Davis of CMA, will attempt to get a copy of this film. (Bob Ball said he was told no one could use the film, although if on public television it should be available for private showing, i.e. no commercial purpose.)

WEST VIRGINIA - There were a number of new environmental issues including underground storage and a bottle bill.

7. Dick Davis, Executive Director of the Chemical Industry Council of California (CICC) gave a thorough review of events in that critical state. It is the fifth anniversary of the CICC, which continues to grow with 15 new members last year and another 10 in the last three months. Davis pointed out that in the SCAN system there are nearly 600 California bills of interest to our industry. AB 2938 involves waste and source reduction, as does AB 496 by Hayden and AB 534 by Rosenthal. There is also a bill on air toxics and non-attainment, AB 2595.

Dick then described the Water Board's recent meeting and the definition of "the source of drinking water" (a speaker in the afternoon from the Water Board discussed this in more detail). Dick then discussed risk communication and previous work by the Lawrence Hall of Science, the League of Women Voters and some member companies such as Shell. He said there is also a program being funded by the National Science Foundation working with 4-H Clubs of America. Related to this, Dr. Warner North desires to develop a State Academy of Science. Dick did an excellent job of updating the California events.

Michele Corash informed the SAC that the California Health and Welfare Agency is about to release proposed regulations similar to those initially published in 1987. These include some key definitions such as "hydraulic continuity" and "probably will pass...", but she

pointed out that the Agency apparently disregarded our comments on these definitions and proposed regulations. In other words our comments were completely ignored. Jim Murray said perhaps we should consider some PR program about this course of action by the Agency.

8. In Massachusetts the Toxics Use Reduction bill is still a major concern. The bill died in the 1987 session, but it's coming back in 1988. Joan Riley said that there still is no clear strategy by AIM, but Ralph Loomis encouraged all to support AIM and not to go our separate ways. Jim Murray said perhaps we can strengthen the in-state group through Mr. Lorentzen of W.R. Grace and the STI Work Group.

ACTION ITEM: Jim Murray and Bill Westendorf will talk to Mr. Lorentzen about this.

A task group was formed to work with AIM; Garth Fort the Chairman, other members include Jack Brewer, Ralph Loomis, Mary Bowler of Du Pont, a W.R. Grace representative, Bill Buckley, and staffed by Joan Riley.

As a result of the discussion of this critical issue, it was decided that the next Open State Affairs Committee Meeting tentatively scheduled for April in Texas will be moved to Massachusetts.

ACTION ITEM: Joan Riley will organize the open meeting for Boston April 21, 1988.

Consideration was also given to whether there should be a special ad hoc group on the Pennsylvania Superfund and the Illinois ECRA. In both cases the answer was negative, although there is a CMA legal meeting upcoming which will address the Pennsylvania Superfund.

9. Bill Westendorf briefly described the budget request for the State Affairs division for fiscal year 1988/1989. CMA guidelines call for across the board average increase of 3%. A number of line items were reduced for next year to allow some additional travel as the need for greater CMA presence in key states continues to increase. New additional resources or below the line requests covering STI/Proposition 65 support, increased CMA presence in key states and stronger coalitioning with public policy groups such as NCSL, NGA and others were also requested. Probably the only additional request to be granted will be the continued STI/Proposition 65 contingency funding.

10. The rest of the open meeting consisted of an afternoon which focused on California Proposition 65 highlighted by Tom Warriner, Secretary for Health and Welfare giving us the latest from his office; Jim Baitge, Executive Assistant with the State Water Resources Control Board discussing "source of drinking water" and other matters; finally, the panel discussing the implementation of Proposition 65. This panel consisted of Dick Kreutzen, Director of the Environmental Working Group who updated the group on the EWG activities, the plans and strategies;

John Ulrich of Dow who discussed possible legislative changes and the pending bills; John Hassell of FMC and chairman of the EWG who talked about the warning requirements and what various EWG members were going to do in this regard, including Western Oil and Gas Association and the Grocery Manufacturers Association; and finally Nancy Reyda of Chevron Chemical Company who described in detail her company's approach to the required warnings.

The next regular meeting of the State Affairs Committee (i.e. closed) will be in Washington at CMA on February 18, 1988 at 10:00am. The next open meeting will be in Boston on April 21, 1988, time, place and details should be available around March 1, 1988.

William H. Westendorf
Minutes Subject to Approval
2/12/88