

CHEMICAL MANUFACTURERS ASSOCIATION
Federal Government Relations Committee
Friday, January 13, 1995
MINUTES

FGRC 277-1

PRESENT:

Mark Nelson, Chairman	DuPont
Julie Archuleta	Occidental Chemical Corporation
Joe Gillan	Exxon Chemical Company
Mark Hopkins	Chevron Chemical Company
Graham Jackson	Nalco Chemical Company
Bill Lyons	Ciba-Geigy Corporation
Joe McGuire	AlliedSignal, Inc.
Lee Nute	Miles, Inc.
Tim Burns, Staff Executive	CMA

PRESENT BY INVITATION:

Keith Belton	CMA
Gerrie Bjornson	BFGoodrich Company
Katie Brophy	CMA
Sarah Brozena	CMA
Trudy Bryan	DuPont
Keith Christman	CMA
Robert Flagg	CMA
Mark Gallant	CMA
Jim Godlove	Phillips Petroleum
Gary Griffith	CMA
Polly Hannas	W.R. Grace and Company
Jace Hassett	Occidental Chemical Corporation
Bob Hill	CMA
Katie Horne	CMA
Marybeth Kelliher	CMA
Sharon Kneiss	Hercules, Inc.
Allen Lenz	CMA
Ken Millian	Millian Associates
Ed Murphy	CMA
Heidi Oliver	CMA
Tom Parker	CMA
Laura Pettey	The Dow Chemical Company
Rose Marie Sanders	CMA
Tom Sellers	DuPont

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Tony Shaw	Hoechst Celanese Corporation
Bob Smith	Olin Corporation
Marcia Smith	CMA
T. Kevin Swift	CMA
Jeff Terry	CMA
Edlu Thom	ARCO Chemical Company
Fred Webber	CMA
Richard Williams	CMA
Robin Williams	Rohm and Haas Company
Tim Wilkins	CMA
Eileen Winkelman	CMA
Charlie Van Vlack	CMA

1.0 The Chairman made the following announcements:

- FGRC Clean Water Task Group Meeting: Friday, January 13, 1995, 10:00 a.m., Park Conference Room, CMA;
- FGRC Political Activities Task Group Meeting: Wednesday, January 18, 1995, 11:30 a.m., at Hercules, Inc;
- FGRC Briefing Breakfast: Thursday, January 19, 1995, 8:00 a.m., The Sheraton Carlton Hotel, Speaker: Representative Jerry Weller (R-IL);
- Federal Government Relations Committee Meeting: Friday, January 27, 1995, 8:30 a.m., Board Conference Room;
- "Meet & Greet": Representative Robert Ehrlich (R-MD), Tuesday, January 31, 1995, 8:30 a.m., Georgetown Conference Room, CMA;
- FGRC Superfund Task Group Meeting: Wednesday, February 1, 1995, 3:00 p.m., Georgetown Conference Room, CMA.

1.1 Mr. Nelson, DuPont, announced that it was a privilege for him to chair the FGRC. He stressed that in the 104th Congress, intelligence gathering will be very important. The FGRC meetings will provide time to share intelligence. Mr. Nelson also stated that it is very important for member company representatives to get involved in taking Hill assignments and making Hill visits; CMA and task group chairmen can't do it alone.

1.2 Mr. Burns, CMA, led a discussion of the FGRC's priority issues for the 104th Congress. He listed several issues that will be important to the FGRC over the next year: Risk, Tort Reform/Product Liability, Tax (Neutral Cost Recovery), Regulatory Moratorium, Unfunded Mandates, Regulatory Reform, Superfund, Clean Water, Safe Drinking Water, and OSHA Reform. He reported that CMA will be following the appropriations and budget process more closely in this Congress.

Ms. Kneiss, Hercules, Inc., recommended that Clean Air be added to the priority list - there are likely to be oversight hearings held on that issue. Ms. Archuleta, Occidental Chemical Corporation, suggested that Fast-Track be added as well. Ms. Hannas, W.R. Grace and Company

added the General System of Preferences and Export Administration Act Reauthorization to the list.

Mr. Burns reported on "Grasstops", a new program that was approved by the CMA Board of Directors at their January meeting. The program is designed to get CEOs more involved in advocacy. A survey will be taken over the next few weeks asking Executive Contacts who they have relationships with in the state houses, governors mansions, the U.S. House and Senate, and the Administration.

Mr. Smith, Olin Corporation, mentioned pollution prevention and toxics use reduction as possible priorities. Mr. Burns reported that there probably won't be much action in this Congress on those issues, but CMA should use this time to educate members of Congress on these issues. CMA will also be taking a look at the various "lists" that have been created over the past several years that have a negative impact on chemicals. CMA will examine their underlying purpose and if they are still valid.

Mr. Jackson, Nalco Chemical Company, requested Responsible Care® be added to the priority list.

At the January 27 meeting the FGRC will continue to discuss and identify priority issues.

1.3 The minutes from the meeting of December 16, 1994 were approved as written.

2.0 ISSUE REPORTS

2.1 Tax: Ms. Pettey, The Dow Chemical Company, reported that the House Ways and Means Committee is in the process of taking on the "Contract With America". There are many tax issues in the Contract, but most do not affect CMA member companies. However, the Contract does include a proposed Neutral Cost Recovery System (NCRS). The NCRS is designed to assist companies in writing off depreciation costs of their assets to fully recover the cost of the assets over the life of the assets.

Ms. Pettey reported that the FGRC Tax Task Group has been scheduling meetings with members of the Ways and Means Committee to express CMA's concern with the NCRS and to propose alternatives that would help business, such as lessening the burden of the alternative minimum tax (AMT). CMA is scheduled to testify before the Ways and Means Committee on this issue on January 26.

Ms. Pettey requested FGRC members to mention CMA's concerns with the NCRS when meeting with members of the House leadership.

2.2 Risk: Ms. Thom, ARCO Chemical Company, reported on the various pieces of risk legislation that are being developed this Congress. In the House, risk legislation is included in Title III of H.R. 9. The legislation is relatively consistent with what CMA supports, however, priority setting is not included in the legislation. The House Science Committee has primary jurisdiction over the legislation, but it will also go to the Commerce and Government Reform

Committees. Full committee markup in the Science Committee is likely in February. The Commerce Committee has expressed it would like to hold hearings prior to the markup.

In the Senate, Senators Murkowski (R-AK), Lott (R-MS) and Johnston (D-LA) are in the process of drafting a risk bill. The bill is likely to mirror H.R. 9.

2.3 Product Liability: Mr. Sellers, DuPont, reported that product liability legislation is included in H.R. 10, "The Common Sense Legal Reform Act". Mr. Sellers reviewed the various components of the bill for the Committee. He reported that the bill, as currently written, will most likely make it through the House, but not the Senate Judiciary Committee.

The Product Liability Coordinating Committee (PLCC), of which CMA is a member, will soon have a new Executive Director.

Mr. Sellers reported that Senators Gorton (R-WA) and Rockefeller (D-WV) will introduce a product liability bill in the Senate. The House does not yet have a primary sponsor of product liability reform.

The Committee discussed the possibility of having an educational program on product liability for the Washington Representative community.

2.4 Superfund: Ms. Bryan, DuPont, reported it was up to CMA to make something happen on Superfund reform if we want action this year. The FGRC Superfund Task Group is in the process of putting together a timetable for action. Senate and House staff members have already begun talking about reform, however, the process is going slow because of the enormous number of changes - in both members and staff.

CMA's Board of Directors has reviewed our policy on Superfund and affirmed the policy and principles we have been using for the last eighteen months. Mr. Van Vlack, CMA, affirmed Ms. Bryan's remarks and reported on the discussions that occurred at the Board meeting. The Board made it clear that the Executive Committee wants CMA's policy positions finalized by their meeting in March and the Board would like to see them by April.

2.5 Political Activities: Ms. Kneiss reported that on January 31, the Political Activities Task Group will sponsor a "Meet and Greet" for Congressman Ehrlich (R-MD), who is a member of the Government Reform and Oversight Committee. The task group will bring messages to Members of Congress on how important the chemical industry is to the national economy.

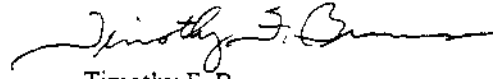
Mr. Williams, CMA, reported that CMA has a chemical industry orientation meeting with Congresswoman Myrick (R-NC) this weekend.

Mr. Burns, CMA, asked Committee members to begin planning budgets within their companies for the Republican and Democratic national conventions.

Ms. Hannas, W.R. Grace and Company, requested that the FGRC be updated at the next meeting on PAC events, in order for companies to plan where to participate.

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The meeting was adjourned at 10:00 a.m.



Timothy F. Burns
Staff Executive

Subject to approval.
January 27, 1995

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