

CHEMICAL MANUFACTURERS ASSOCIATION

State Affairs Committee

Board Conference Rooms A&B, CMA

September 18, 1986

SAC-24-1

MEMBERS ATTENDING

Jack Brewer
Chuck Hebner
Debbie Neale
Art Mszanski
Bob Ball
Ron Roberts
Rob Christie
Geoff Hurwitz
Jerry Chambers
Jerry Prout
D.B. Gurney

Olin Corporation
ICI Americas Inc.
BF Goodrich Company
E.I. du Pont de Nemours & Co.
Exxon Chemical Company
Borg-Warner Chemicals
ARCO Chemicals
Rohm and Haas Company
American Cyanamid
FMC Corporation
AMOCO Corporation

William H. Westendorf
Staff Executive

CMA

PRESENT BY INVITATION

Jean Luck
Bill Lafield
Rita Hartmann
Carl Drugge
Earl P. Behm
Jim Murray
Nick Kalm
John Harris (Part-time)

Vulcan Materials Company
Shell Chemical Company
Monsanto Company
Borden Inc.
3M Corporation
Union Carbide Corporation
CIBA-GEIGY Corporation
Dow Chemical Corporation

Joan Riley
Larry Gallo
Becky Chidester
Mary Heaton
Stephanie Siegel
Becky Isely
Renee Parker

CMA
CMA
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CMA

MEMBERS ABSENT

Charlie Fitzgibbon
Tim Holt
Ben Woodhouse

Eastman Kodak Company
Air Products & Chemicals Inc.
Dow Chemical Corporation

CMA 084374

The meeting was called to order at 10:10 a.m.

1. Summary of Planning Conference

Bill Westendorf reviewed major goals outlined in the 1986 State Affairs Committee Conference Planning Report (listed under tab 1 in the meeting book) emphasizing the committee's goal of working with the various chemical industry councils in developing effective state grassroots communications programs. The current grassroots programs in Illinois and Michigan were cited as model programs. Other goals highlighted included an increase in presentations to the CMA Board of Directors, one executive newsletter developed for State Affairs and the completion of an electronic network.

2. Approval of the Minutes

The minutes of the special committee meeting held in New Orleans, Louisiana on August 6, 1986 were approved.

Committee chairman Jack Brewer summarized two key decisions at this meeting. The State Affairs Committee and its task groups will stress state government relations and final delivery of positions rather than the development of the technical aspects of the positions. It was also decided that future committee meetings will be conducted around major issues and select states, rather than all issues and most states.

3. Results of CMA Exhibit at the 1986 NCSL Annual Meeting

Mr. Westendorf began the discussion of the CMA Exhibit at the NCSL Annual Meeting in New Orleans, indicating that this is the first year CMA has had an exhibit at this meeting. He stressed the importance of having an exhibit at these meetings, since many legislators attend and the high visibility of the chemical industry would be advantageous. It was mentioned that Dow Chemical Company was the only member company with a booth setup at the meeting. Mr. Westendorf suggested that in addition to the separate booth setups by the companies, one booth could be used representing the entire chemical industry.

Larry Gallo reported that the total cost of the CMA booth was \$2,300. He also stated that many legislators stopped by the booth and that the bright red CMA bags handed out as favors even made the evening television news.

4. Report to CMA Board of Directors

Mr. Brewer informed the committee that his presentation to the Board (tab 3) was very successful. He also noted key points from Dick Davis's presentation to the Board which included information on the Toxic Initiative. This information reflects latest poll figures that show 67% in favor of the initiative, 17% against and 16% undecided. Previous polls showed 87% in favor, 10% against and 3% undecided (tab 7).

5. Task Group Realignment and Task Group Sponsors

Mr. Brewer reported on a proposed task group realignment discussed at the committee meeting in New Orleans which would result in the following task groups: (1) information management task group (2) tort reform/liability insurance (3) chemical safety, which would include hazardous materials transportation, emergency response, plant safety and right-to-know (4) groundwater and hazardous waste disposal, which would include superfund and waste minimization and (5) air toxics. Joan Riley recommended that the committee leave the hazardous waste disposal/groundwater task group as one task group since the same people would comprise both task groups. Further, most of these individuals have already been assigned the responsibility of covering both the issue of hazardous waste and groundwater by their companies. She further argued that by considering both of these factors, the supposed increase in issue coverage resulting from splitting the task group would not occur. Mr. Brewer stated that his presentation to the Board included a request for more member company participation in the task groups, particularly the hazardous waste disposal/groundwater task group.

Mr. Brewer also brought to the committee's attention another recommendation which stemmed from the New Orleans special committee meeting. This involves the selection of sponsors for each task group, whose chair is not already a member of the full committee, to serve as a liaison between the task group and the committee. After reviewing all the task groups it was decided that each task group has a committee member who serves as a liaison and that this person will be responsible for timely submittal of reports from the task group to the committee. The chairs or sponsors are: Information Management: R. Christie; Tort/Liability: J. Prout; Chemical Safety: G. Hurwitz; Air toxics: R. Roberts; Hazardous Waste Disposal/Groundwater: R. Ball.

Action: Sponsor's duties will be documented and distributed for comment at the October State Affairs Committee meeting.

6. New Issues, CIC Needs

Mr. Brewer reported on a meeting he had with Bill Westendorf and representatives of the CMA Communications Committee to discuss how the Communications Committee could assist the chemical industry councils that lack adequate staff and resources. From this meeting, the idea of "Adopt A CIC" was developed which could involve the formation of editorial boards and media visits for these CIC's. One of the Communications Committee representatives, C. Goding, of Nalco, is writing a summary of the meeting. Art Mszanski suggested that the communications representative should make presentations to state organizations, perhaps even one at the annual meeting in Chicago.

Action: Copies of Mr. Godings report will be sent to the State Affairs Committee members, attendees and task groups when it is received.

Mr. Brewer also informed the committee of an invitation from the Environmental Management Committee for a representative of the State Affairs Committee to attend its planning conference scheduled to be held on September 29th to October 1st in Wintergreen, Virginia. Mr. Brewer will attend as the committee's representative and is expected to raise the following points at the meeting: (1) the State Affairs Committee needs guidelines to be used for the states from EMC; (2) the State Affairs Committee wants the task groups under the EMC to provide assistance from staff as well as company task group members; and (3) the commitment of the EMC to assign a representative to the State Affairs Committee.

Mr. Westendorf informed the committee that an EMC participant, Jim Grant, will be the liaison between the EMC and the State Affairs Committee. Mr. Westendorf also pointed out that an internal group within CMA, which he chairs, has been formed and is comprised of a representative from each of the major support departments (technical, communications and legal).

Action: Final report from internal group will be sent to State Affairs Committee members, attendees and task groups in October.

7. Prioritization of States and Assigned Responsibilities

The group revised the assigned state coverage responsibilities listed under tab 4. An updated State Assignment List is attached. Mr. Brewer suggested that for states with activity, persons assigned to those states should provide the committee with a short summary of the activity which will appear in the committee meeting book. Thus, material should be sent to Bill Westendorf's office no later than one week before the scheduled meeting of the committee. If summaries are not provided for those states with activity, a blank page will appear in the meeting book indicating that the assigned persons did not provide reports on these states. Only if key associations are active will individuals assigned to these associations be expected to provide the committee with a report.

Action: State reports due: October 16th.

8. Information Management Task Group Report

As a result of Union Carbide's decision to cease LINC operations, Rita Hartmann presented the recommendation by the Information Management Task Group that CMA contract with the Networks Inc. to provide the electronic monitoring and communications system for 1987. She said Networks offered competitive rates, training experience, Telemail, in-house technical support and access to GTE Gateway technology. Other vendor services considered included: Compuserve, MCI mail and Telemail, Telenet, IPA, LINC and Dial-Tyme. The possibility of CMA bringing the program in-house was explored but was rejected as an alternative due to the high start-up cost, high on-going operating costs and the time it would take for the system to become operational. The Networks proposal, cost comparison etc. appear under tab 5.

Action: Sincere thanks and highest commendations to Rita Hartmann, Becky Chidester and task group members for a great job in a short time!

9. California Initiative - Proposition 65

Debbie Neale reported to the group about the concern of companies over the negative impacts of the publishing of the amount of money companies are contributing to the initiative fund. As a solution, a group called the California Manufacturers has established a fund which allows companies to privately contribute money that will be earmarked toward the proposition.

Action: TV spots and an employee one-pager will be shown at next State Affairs meeting.

10. Task Group Reports

Tort Reform/Liability Insurance Task Group

Mary Heaton reported to the group that a survey is in progress to determine the level of participation of the various CICs in the tort reform issue. There are some states such as Texas and Pennsylvania where CIC's have been involved. There are other states where a decision was made to let the broader based coalitions handle the issue. In some cases as the 1986 legislative sessions progressed, the CIC members questioned their decision as legislation failed to pass or passed but was weak or specifically excluded environmental, product and/or toxic torts. The task group will be developing a strategy to work with state chemical organizations.

Ms. Heaton also reported that ATRA has released its Legislative Resource Book. The task group members have been asked to consider financial support of the project. Their response has been positive to date. This is one opportunity where the chemical industry can provide strong support without taking a high profile position.

She also stated that ATRA has planned five regional meetings in October. They are designed as working sessions for coalition leaders. Task group and State Affairs Committee members were urged to encourage coalition leaders to participate.

Ms. Heaton asked committee members to send her newspaper or magazine articles on the tort reform issue to help in making an assessment of the trends. She reported that in Pennsylvania, the plaintiff's lawyers have been able to turn significant pressure on the insurance industry in an effort to prevent tort reform. Members who had contacts in Pennsylvania were urged to share information with their state legislators that would emphasize the concerns that are separate from the insurance issues.

- Action: 1) Task group develop strategy to work with state chemical organizations
2) Member support of ATRA Legislative Resource Book
3) Member and press articles re: tort reform to Mary Heaton

Hazardous Waste Disposal/Groundwater Task Group

John Harris reported on the activities of the Hazardous Waste Disposal Groundwater Task Group. The groundwater position papers are in draft form and should be in final form for the EMC meeting on October 22nd.

As a result of significant effort by members of the State Affairs Committee (Jerry Chambers, Chuck Hebner and others) industry was successful in deferring the adoption of the New Jersey ECRA law as model legislation by CSG at their recent meeting. Ms. Riley mentioned that an ECRA Work Group is being formed to address this issue as it will be on the agenda for the CSG meeting in Orlando. Chuck Hebner, Jerry Chambers, Rob Christie and Rita Hartmann agreed to work on this group.

One of the items discussed at the Wintergreen meeting was the possible realignment of some of the task groups. At the last task group meeting the members voted not to split the group into two separate issue areas as the same people would have to cover all the issues and there are not enough company people to keep two task group productive.

Action: ECRA Work Group will meet October 28th to plan strategy.

Air Toxics Task Group

Ron Roberts reported that the State Affairs Committee Air Toxic Task Group has finalized a submission for the CMA "Air Toxics Information Manual". The task group developed a discussion paper of state air toxics programs which are based on setting standards on individual chemicals and also on using risk assessment to develop programs. The task group developed papers reviewing thirteen key state air toxics programs. The initial copies of the final Air Toxics Information Manual are scheduled to be distributed by October 15.

Larry Gallo reported that the task group and the Right-To-Know Task Group are participating in an ad hoc effort to develop guidelines for use when state legislatures consider enacting legislation to prevent accidental chemical releases. The ad hoc work group also includes representatives from the CMA legal, technical and communications departments. The guidelines are expected to be ready by January 1st.

Right-To-Know Task Group

Geoff Hurwitz and Stephanie Siegel (CMA Legal Department) provided the group with an explanation of the recent decision of the Third Circuit Court of Appeals on the Pennsylvania Right-To-Know law. As a result of the court's decision, the following requirements are imposed on manufacturing employers: (1) hazardous substance, environmental hazard, and special hazard list must be developed; (2) hazardous substance survey forms must be prepared and filed; (3) containers shipped into the state and containers shipped out of the workplace must have a label and a MSDS that complies with the Act; and (4) shippers and employers must comply with the Pennsylvania MSDS provisions. CMA believes the court decision is inconsistent with the decision involving the New Jersey law.

11. Next Meeting

The next meeting of the committee is scheduled for October 23, 1986.

The meeting adjourned at 2:30 p.m.

10/8/86



William H. Westendorf
Director, State Affairs