

CHEMICAL MANUFACTURERS ASSOCIATION

BOARD OF DIRECTORS MEETING
5:30 p.m., Wednesday, June 3, 1987
The Greenbrier, Eisenhower C Room
White Sulphur Springs, W. VA

AGENDA

TAB

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|-----------|---|---|
| 5:30 p.m. | 1. Call to Order and Approval of Minutes of April 7, 1987 Meeting -- Chairman Clark | |
| 5:30-5:45 | 2. Board Committee Reports | |
| | a. Executive Committee -- Harold A. Sorgenti | |
| | b. Liability Reform Work Group -- Keith R. McKennon | |
| 5:45-6:00 | 3. Association Activities | |
| | a. Treasurer's Report -- Gary C. Herrman | 1 |
| | b. President's Report -- Robert A. Roland | 2 |
| 6:00-6:25 | 4. State Toxics Initiative Work Group: Presentation of Strategy and Action Plan -- James V. Murray, Union Carbide Corporation; Chairman, STI Work Group | 3 |
| 6:25-6:35 | 5. Status Report on the Federal Legislative Grassroots Program -- Graham Jackson, Nalco Chemical Company; Chairman, GRC Grassroots Task Group | 4 |
| 6:35-6:55 | 6. Status Report on Pending Federal Legislation -- Kenneth E. Davis, Rohm and Haas Company; Chairman, Government Relations Committee | 5 |
| | ° Worker Notification | |
| | ° Trade | |
| | ° Energy | |
| 6:55-7:00 | 7. New Business | |
| 7:00 | 8. Adjourn | |

Immediately following the Board meeting, there will be a reception (7:00 p.m.) and dinner (8:00 p.m.) for all current and former Directors of the Association in the Eisenhower Reception Area and the Eisenhower C Room.

CMA 076177

MINUTES of the three-hundred thirteenth meeting of the Board of Directors of the Chemical Manufacturers Association, Inc., held in the Eisenhower C Room, The Greenbrier, White Sulphur Springs, West Virginia, on Wednesday, June 3, 1987, at 5:30 p.m. There were present:

Directors:	W. H. Clark, Jr. - Chairman of the Board	
	Robert C. Forney - Vice Chairman of the Board	
	Harold A. Sorgenti - Chairman of the Executive Committee	
	Robert A. Roland, President	
	Dexter F. Baker	
	Cyril C. Baldwin, Jr.	Robert D. Kennedy
	Alan Belzer	Carl W. Lorentzen
	Raymond F. Bentele	John S. Ludington
	Robert D. Cadieux	H. Eugene McBrayer
	Vincent A. Calarco	Keith R. McKennon
	Carlyle G. Caldwell	George J. McNally
	J. Douglas Campbell	Howard M. Nelson
	Paul W. Chellgren	L. John Polite, Jr.
	Lester E. Coleman	Seymour S. Preston, III
	R. James Comeaux	M. Whitson Sadler
	Harry Corless	Roy Sambrook
	A. S. D'Amato	Vincent A. Sarni
	Robert W. Davis	James F. Schorr
	John T. Files	Edwin L. Stenzel
	Vincent L. Gregory, Jr.	O. Edward Wall
	David S. Höllingsworth	Robert G. Wallace
	Robert C. Hyndman	Robert G. Weeks
	John W. Johnstone, Jr.	Konrad M. Weis
	Emerson Kampen	Chong Y. Yoon

Secretary:	Charles W. Van Vlack
Treasurer:	Gary C. Herrman
General Counsel:	David F. Zoll

By Invitation:	Albert J. Costello - American Cyanamid Company
	Geraldine V. Cox - CMA
	Kenneth E. Davis - Rohm and Haas Company
	Earnest W. Deavenport - Eastman Kodak Company
	Ernest H. Drew - Hoechst Celanese Corporation
	Clyde H. Greenert - Union Carbide Corporation
	Edward D. Griffith - ARCO Chemical Company
	Jon C. Holtzman - CMA
	E. Hamilton Hurst - Nalco Chemical Company
	Graham Jackson - Nalco Chemical Company
	Fred W. Montanari - NL Chemicals, Inc.
	James V. Murray - Union Carbide Corporation
	Paul F. Oreffice - The Dow Chemical Company
	Vernon R. Rice - E. I. du Pont de Nemours & Company
	F. Quinn Stepan - Stepan Company
	William M. Stover - CMA
	William H. Westendorf - CMA
	Ben Woodhouse - Dow Chemical U.S.A.

CMA 076178

1. MINUTES OF THE APRIL 7, 1987 MEETING

The meeting was called to order at 5:30 p.m. by Chairman Clark. The minutes of the April 7, 1987 meeting were approved as distributed. Mr. Clark welcomed the new Directors.

2. REPORT OF THE EXECUTIVE COMMITTEE

Chairman Sorgenti reported the items discussed and the actions taken at both the Officers Planning Meeting (June 2-3) and the Executive Committee meeting (June 3).

Major areas addressed at the Officers Planning Meeting included the Regional Executive Contact Meeting Program; membership and membership criteria; relations with other associations; Board and Executive Committee meetings and activities; establishment of Board committees to pursue issue and program priorities; and increases in the Catalyst Awards. A summary of these items is attached as Exhibit A.

With respect to the Catalyst Awards, the Executive Committee agreed to increase the 1987 and future year awards for national winners from \$1,500 to \$5,000 and for regional winners from \$500 to \$2,500.

Mr. Sorgenti requested that directors submit their ideas on suggested program or issue areas where the formation of new Board committees would be appropriate, together with an indication of their preference as to which group they would be willing to serve on or chair. This input was requested to be sent to Mr. Roland no later than mid-July, so that recommendations could be prepared for the Officers' review in early August, with final action expected at the August 31-September 1 Board meeting.

Items discussed and actions taken at the Executive Committee meeting included:

- o Approved several committee appointments;
- o Heard a report on the Officers' Planning Meeting;
- o Approved increased awards for the Catalyst Award program;
- o Approved a preliminary plan on responding to state toxics initiatives;
- o Approved reactivation of the Association's energy program which had been eliminated as a part of budget cuts in the spring of 1986;
- o Heard a report on the updated results of the air quality survey and approved its use in Clean Air Act advocacy;
- o Approved a phased-in fee schedule for new members;
- o Discussed the Association's position on worker notification legislation and agreed to the insertion of supportive and clarifying language in Chairman Clark's annual address to the membership.

3. REPORT OF THE LIABILITY REFORM WORK GROUP

Mr. McKennon reported as Chairman of the Executive Committee's Liability Reform Work Group which had been in existence since September 1986. He reported on the following specific activities and developments:

- o First priority of the group was to catalyze the industry's efforts on state tort reform. A program was adopted by the Board at the November 1986 meeting and progress is being made state-by-state.
- o Tort reform/product liability remains a goal at the federal level. While the outlook remains difficult, prospects have recently improved, particularly in the House.
- o An area of growing concern is the ATSDR-related provisions of SARA.
- o The late-May meeting of the group focused on the longer term objectives of the group and the tasks which need to be accomplished in order for the Board to be able to evaluate its options for future action.
- o A report and discussion of liability issues is scheduled for the August 31 Board meeting.
- o The work group will continue to focus on the long-term issues and options and more recommendations for action to the Board.

Chairman Clark thanked Mr. McKennon for his service on the Board and the group and indicated that Mr. Gregory would be serving as the new chairman of the LRWG.

4. TREASURER'S REPORT

Mr. Herrman reported that through the eleven months ending April 30, the Association had received revenues of \$14,071,500 and had incurred expenses of \$11,345,400. He indicated that the process of closing the books for the year was under way and that the year-end Treasurer's Report analyzing variances would be mailed when that process was completed. He estimated that the Association would end the year with revenues slightly above budget, expenses about 1% - 2% below budget, with a resulting contribution to reserves of \$100,000 - \$200,000. Reserves would then be about \$5.9 million.

5. PRESIDENT'S REPORT

Dr. Cox reported on the results of the latest CMA survey of the chemical industry's hazardous waste disposal practices and trends.

6. STATE TOXICS INITIATIVES

Mr. Murray reported on the activities of the State Toxics Initiatives Work Group (STIWG). He indicated that the implementation of Proposition 65 in California is a problem which we don't know the full magnitude of as yet. CMA's

supporting efforts on implementation continue to be focused through the California CIC and the broad-based industry coalition (Environmental Work Group).

He referenced Exhibit B as to the objectives of the STIWG and reported on ongoing national coalitioning activities and the lessons learned from California which included:

- o Few voters were educated on the issue -- they reacted to the ballot language;
- o Few voters saw risk to themselves from the initiative;
- o Lack of early money hindered early campaign activities.

Mr. Murray then presented the proposed action plan which the Executive Committee had approved earlier in the day which included:

- o Use of CMA budgeted "seed" money for eight priority states to be used to engage local consultants, initiate local coalitioning, and develop a state specific contingency plan.
- o Development of a funding plan which would include an industry-wide "pledge" of resources (company-by-company), preauthorization to commit the funds to individual state campaigns, and preclearance of any legal hurdles to the contribution of such funds to state campaigns.
- o The development of a specific action plan for Oregon, including the engagement of a local initiative consultant, exploratory work on a local coalition, and the development of a "model" initiative for possible introduction in Oregon, incorporating industry acceptable principles on groundwater, air and/or waste minimization issues.

ON MOTION, duly made and seconded, it was

VOTED to adopt the proposed plan as outlined above and, as set forth in Exhibit B, and as approved at the Executive Committee meeting.

7. FEDERAL GRASSROOTS PROGRAM

Mr. Jackson presented a status report on the Association's federal legislative grassroots program. He focused on the key developments and improvements to the program in the past two years which included: Emphasizing relationship building; expanding the number of member company participants; renewing the grassroots manager assignments; developing more congressional liaison representatives in key districts; and developing and training the grassroots managers. He indicated that while substantial progress had been made in building the infrastructure of the program, there was still insufficient participation from the full membership for the program to reach its potential.

He recommended four areas for Board and individual Director action:

- o Increase the top-down commitment to the Association's grassroots program within individual companies;

- o Establish or strengthen individual company grassroots programs;
- o As a Board, consider ways to encourage broader participation in grassroots activities from the entire membership, including a possible awards or recognition program;
- o As a Board, consider developing a generic message for delivery through the program.

Following Mr. Jackson's presentation, Chairman Clark requested that the Board endorse the activities of the grassroots program. A motion to this effect was made, seconded and voted. Mr. Clark further requested that the suggestions contained in Mr. Jackson's report be sent to the Board for individual follow-up.

8. FEDERAL LEGISLATION

Mr. Davis presented a status report on key pieces of pending federal legislation. With respect to worker notification, he reviewed developments since the Board approved a position in April which endorsed the Metzenbaum bill on the condition that a list of changes be made. Those changes have been made. The House bill had emerged from committee and is ready for floor action. In the Senate, he indicated that the bill should be out of committee by July and that floor action should follow quickly thereafter. He reported that the NAM and U.S. Chamber remained opposed to the legislation. Mr. Clark indicated his intent to insert comments on the worker notification legislation into his annual address to the membership and he reviewed those comments with the Board.

Mr. Davis then reviewed developments on the trade legislation, particularly the Senate bill. A significant CMA victory in the Senate was the inclusion of language recognizing import-sensitive products and establishing procedures to deal with them through the trade agencies. Mr. Baker raised the issue whether CMA was opposed to the 1% import fee (tax). Mr. Davis indicated that it was his opinion that CMA's long-standing position was to oppose these type of levies. There was no dissent to his statement. Dr. Forney inquired as to whether Board visits to the Congress would be requested. Mr. Davis responded that those visits have been included as a contingency in the trade work plan and that they might be requested when the bill goes to conference, possibly as soon as July.

Finally, Mr. Davis reviewed energy developments in general and the Bentsen amendment to the trade bill in particular. He indicated that CMA had filed comments in opposition to the Bentsen amendment, focusing on the potential in the amendment for the imposition of an oil import fee. Mr. Kennedy commented on the Executive Committee's action to reactivate the Association's energy program, particularly with respect to opposing energy taxes or fees.

Mr. Sorgenti made several additional comments on the worker notification legislation and the process and basis by which CMA arrived at its position. It was agreed to send a follow-up communication to the Executive Contacts on this issue.

9. MEMBERSHIP FEE SCHEDULE

CMA 076182

Mr. Van Vlack presented a resolution providing for a phased-in fee schedule for new member companies joining the Association. He indicated the resolution had been approved by the Executive Committee as part of an overall membership recruitment effort.

ON MOTION, duly made and seconded, it was

VOTED: That for companies who become members of the Association during the 1987/88 fiscal year, the following phased-in membership fee schedule shall apply:

- o One-third of the normal dues for the first fiscal year of membership. In the case of companies joining during the fiscal year, the initial dues shall be one-third of the pro rata amount due for the remainder of the year.
- o Two-thirds of the normal dues for the second fiscal year of membership.
- o Full dues for the third and subsequent years of membership.


That the phased-in membership fee schedule shall be applicable only to those companies who become new members during the 1987/88 fiscal year and in no event shall the membership fee of any company, on an annualized basis, be less than the existing minimum fee (\$5,560).

10. NEW BUSINESS

Mr. Wall raised the question as to what plans the Association had to capitalize on the new studies by Dr. Bruce Ames on the relative impact of man-made chemicals versus naturally occurring substances. Dr. Cox and Mr. Holtzman commented on CMA plans to utilize the data, while being careful to protect Dr. Ames' credibility.

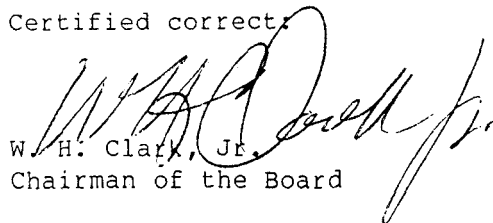
Chairman Clark then recognized the following retiring Directors and thanked them for their years of excellent service: Messrs. Corless, Davis, Irani, Johnstone, McKennon, Preston, Sturzeneger, and Wishnick.

The meeting adjourned at 6:55 p.m.



Charles W. Van Vlack
Vice President-Secretary

Certified correct.



W. H. Clark, Jr.
Chairman of the Board

CMA 076183