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Thurs, Sept 10 1:00 p.m. Mayflower Hotel

Robert A. Roland President

August 4, 1992

approx 150 executives

The Honorable Robert J. Dole Minority Leader U.S. Senate Washington, D.C. 20510-1601

Dear Mr. Leader:

We are pleased to invite you to be our guest speaker at the Thursday, September 10, 1992, edition of the Chemical Manufacturers Association's

A2,000 -

(CMA) CHEMICAL FORUM luncheon series, to be held at the Mayflower Hotel, in the Colonial Room, 1127 Connecticut Avenue, N.W., Washington, D.C. The CHEMICAL FORUM is sponsored by CMA as a means of enhancing the dialogue

between leaders of government, the private sector, and the public. The audience is regularly composed of approximately 150 senior executives of the chemical industry and other members of the business community. A recent CHEMICAL FORUM brochure and the CMA Annual Report are enclosed.

We would value your comments on the Republican legislative and political agenda for the remainder of the 102nd Congress. We hope you will share with us your perspective on the Presidential campaign and the Bush re-election effort. Our audience will also be interested in your predictions on the make-up of the Senate in the 103rd Congress. In appreciation, we would be pleased to contribute \$2,000.00 to a charity of your choice.

We plan a Noon reception, lasting about thirty minutes, followed by luncheon at 12:30, with your remarks beginning about 1:00 p.m. We hope that you will have time to respond to a few questions from our guests. We anticipate considerable media interest, and will coordinate arrangements with your staff.

We hope you will be able to join us on September 10. If additional information would be helpful, please call us at 887-1123. We look forward to having you with us at the CHEMICAL FORUM.

Sincerely

TO: Senator Dole

FR: Kerry

RE: Chemical Manufacturers Association

*You will be meeting with about 150 senior executives of the chemical industry.

*They have asked for a political update, including your perspective on the Presidential campaign, your predictions on the make-up of the Senate in 1993, and your outlook on the remaining legislative agenda, followed by questions and answers.

*They are also very supportive of the products liability reform legislation, and specifically asked for an update on that issue.

*I will update the remarks on Thursday morning, so they reflect what happened on products liability.

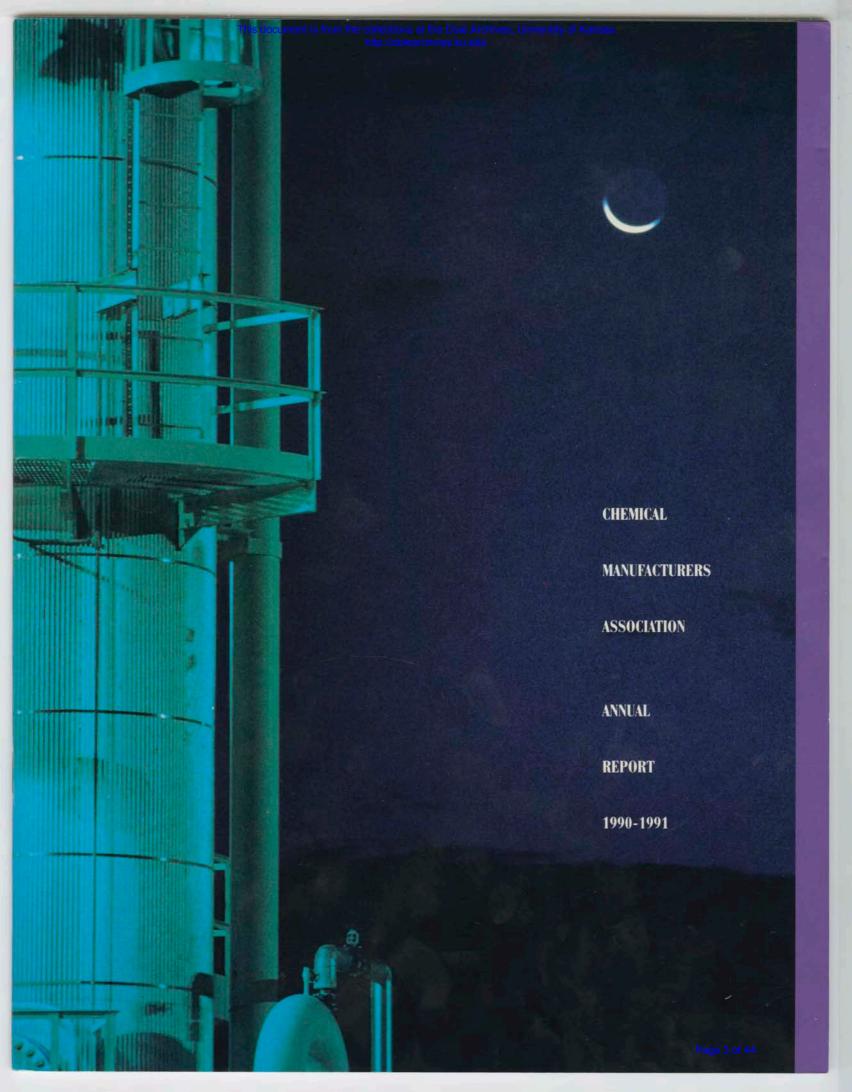


TABLE OF CONTENTS

- Chemical Manufacturers Association
- 119th Annual Report
- June 1, 1990-May 31, 1991

- 1 Introduction
- 2 Community Actions
- 4 Responsible Care*
- 5 Title III
- 6 CAER
- 7 NURIO
- 10 Environmental Actions
- 12 Pollution Prevention Issues
- 13 Air Issue
- 14 Waste Issues
- 15: Superfund
- 16 Water Issues
- 18 Health & Safety Actions
- 20 Plant and Process Safety
- 21 Product Stewardship and TSCA
- 22 Occupational Safety and Health
- 23 Risk Management and Assessmer
- 23 CHEMSTAR
- 24 Distribution
- 26 Economie Actions
- 28 International Trad
- 28 Chemical Diversion
- 29 International Health, Safety and Environmental Affairs
- 31 Chemical Weapon
- 32 Penduer Liability and Tort Reform
- 32 Energ
- 34 Taxation
- 35 Rusiness Conditions
- 38 Association Actions
- 40 Federation of State Chemical Association
- 41 Teacher Awards
- 42 Chemical Forum
- 43 Committee Chairmen and Officers
- 44 Board of Directors



INTRODUCTION

The challenges that faced the chemical industry this past year were both expected and unexpected.

MA knew the year held tough legislative and regulatory battles. Congress was close to enacting Clean Air Act amendments that would have economic consequences of great magnitude for the chemical industry. Congressional interest in passing a new Hazardous Materials Transportation Uniform Safety Act had accelerated. The threat of new energy and environmental taxes loomed. And there were rumors that Congress wanted to reauthorize Superfund early. The beginning of a recession made the challenges even more complex.

The unexpected included Iraq's invasion of Kuwait. Among the repercussions was an increase in operating costs. Higher crude oil prices, coupled with new capacity worldwide and an economic downturn, forced companies to absorb product price increases. Profits suffered after four years of tremendous growth.

Yet, CMA's accomplishments this past year demonstrate that the membership is dedicated to advancing the industry's record of responsible performance and aggressive advocacy.

Chief among those accomplishments is the progress made on Responsible Care®, CMA's performance-based initiative. The membership's commitment to this initiative explains why it has progressed so quickly. A separate section within this report describes the many facets of Responsible Care®, each requiring extensive "sweat equity" from members. It also shows that members steadily embrace Responsible Care® as a corporate philosophy for managing their businesses.

That CMA was successful in lobbying Congress on legislation critical to the chemical industry testifies to the strength of CMA's advocacy. In a flurry of activity at year-end, Congress passed legislation that contained important economic and technical concessions to the industry. A few highlights:

- Clean Air Act amendments that Congress passed in November include favorable provisions on technical standards, residual risk, credit for early reductions, accidental releases and permit requirements for air toxics. Over the course of the ten years it took Congress to amend the act, CMA prepared hundreds of broadcast and print materials to support the lobbying effort.
- CMA worked for and obtained greater uniformity in regulations governing the safe transport of hazardous materials in the Hazardous Materials Transportation Uniform Safety Act of 1990.
- CMA advocacy on Superfund reauthorization helped extend existing rates of Superfund taxes for four years, and forestalled attempts by lending institutions to gain exemptions from Superfund liability.
- Strong CMA opposition to proposed energy and environmental taxes helped prevent increases in industry tax costs that could have amounted to \$3 billion annually. CMA argued convincingly that these taxes would also undermine the international competitiveness of U.S.-based manufacturing.

CMA's efforts to strengthen its advocacy at the state level enabled it to play a key role in defeating several ill-conceived state environmental initiatives this past year. The two-year-old State Affairs Department guided CMA's participation in defeating the most far-reaching environmental initiative ever to go before the public, California's Proposition 128. The recently created Federation of State Chemical Associations that CMA sponsors helps state advocacy grow stronger each year.

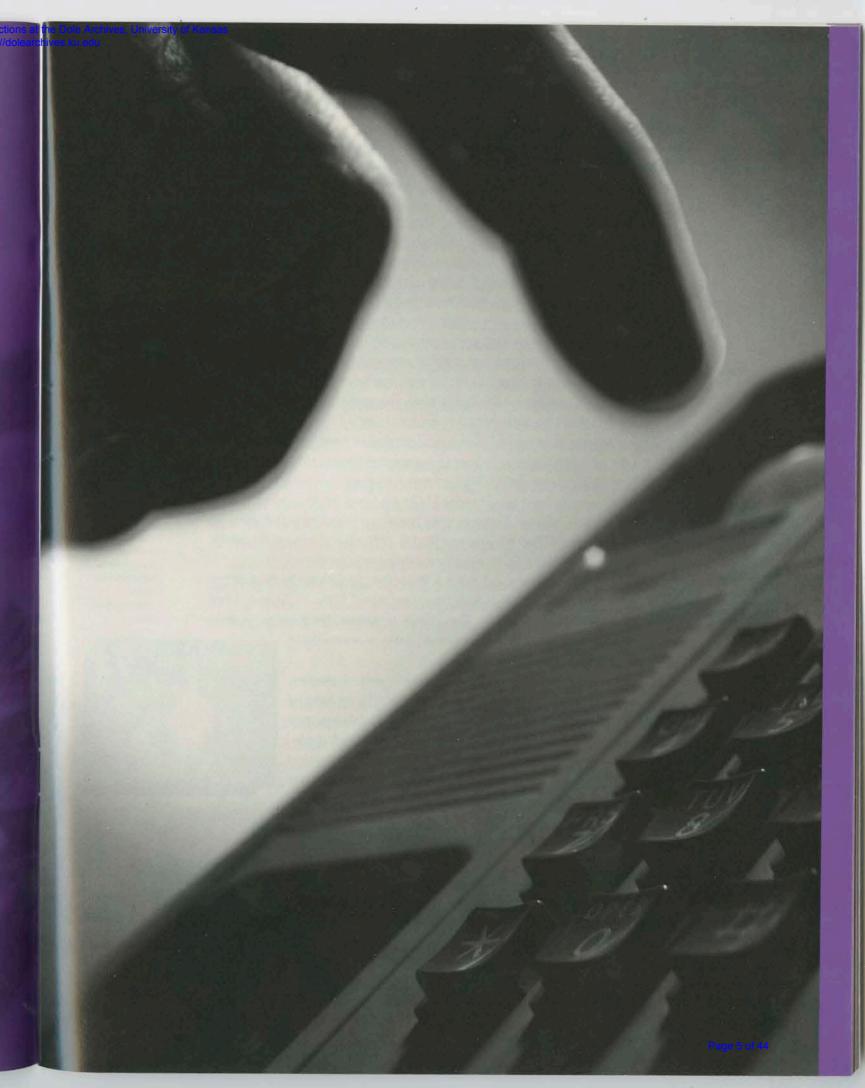
CMA's voice is growing, too, in international forums. CMA presented Responsible Care® as an example of a self-improvement program to the World Industry Conference on Environmental Management in April. The trade implications of international health, safety and environmental issues prompt CMA to take an active stand on many global issues. Through coordination with foreign chemical associations and consultants to U.S. negotiators in Geneva, CMA is a vocal advocate for a global ban on chemical weapons.

Perhaps the best indicator of the industry's ability to seize the opportunity lies in its trade balance figures. The industry's 1990 positive trade surplus of \$16.5 billion represented its second best year after 1989, when its surplus was \$16.6 billion. The surplus is remarkable, especially in contrast to the \$73.1 billion deficit incurred by all of U.S. manufacturing in 1990.

The accomplishments of the past year are helping to position the industry for even greater challenges. Challenges that CMA members will see as opportunities to further advance and strengthen their record of responsible performance.

C O M M U N I T Y A C T I O N S

that its future depends on its performance. Performance that will be judged not solely on the industry's economic strength, but on the safety of its workplaces, the trust of its communities, the health of the environment. The chemical industry has rededicated itself to these goals through Responsible Care®. And it has done so publicly, with the belief that its actions will reinforce its words.



RESPONSIBLE CARE®

"The public wants to believe in us. They would like to trust us. But they don't."

Eugene McBrayer, Chairman, CMA

significant change in the membership's embracement of Responsible Care® marked the second year of the initiative. Members moved beyond the uncertainty and anticipation of the first year, and by early spring were implementing four Codes of Management Practices, returning self-evaluations on each code's progress, and awaiting delivery of three more codes by year's end. The accelerated pace of institutionalizing Responsible Care® within member companies is nothing short of amazing.

Once all six codes are operating, they will cover the entire life cycle of products manufactured by members. The four completed codes are community awareness and emergency response, process safety, distribution and the first code segment under pollution prevention. The second pollution prevention code segment, along with employee health and safety and product stewardship codes, are expected to be completed by early 1992.

Member response to increasing "sweat equity" required by these codes can be characterized in one word: commitment. It shows up in innumerable ways. Close to 100 companies got involved in the code drafting work groups. Workshops on how to implement the

> codes are often sold out. Executive Leadership Group meetings, which demand time from corporate leaders to share progress, problems and experiences, are well attended. And the success of the fall 1990 series of regional Responsible Care® Coordinator meetings launched a second series for spring 1991.

Despite the time and resources demanded of companies by the initiative, the questions are fading from "why?" to "how?" That is, "How do I best implement the initiative?" That attitude is evidence that members recognize

they must address public concerns about industry safety to warrant some public trust and confidence.

Further evidence is the development of the public outreach program. Ten key audiences are the targets of outreach strategies to be implemented by CMA and individual companies. The audiences are: employees, plant communities, local activists, state and local officials, federal officials, media, national public interest groups, educators and students, shareholders and analysts, and that part of the public that participates in community and political activities. An advertising campaign was developed to reach the "participating" segment of the public. And a progress report, distributed annually in the spring, will document changes in the industry as a result of Responsible Care®.

A great boost to members' efforts comes from three "loaned" member company executives. These executives spend a large amount of time helping with Responsible Care®. Ernest Ruppe, formerly of DuPont, chairs the Responsible Care® Coordinating Group, which reviews and manages overall implementation of Responsible Care® and makes recommendations to





Frnest Runne formerly of Du Pont, of the Responsible Care® Coordinating Group

ble Care®

Communications Task

CMA's Board. Walter Young, formerly of ICI Americas, is developing ways CMA and its member companies can fulfill their obligation to provide mutual assistance. Ken Rushin of Eastman Chemical is chairman of the Public Outreach Coordinating Group, which coordinates outreach to the 10 targeted audiences, and he serves as a liaison between CMA's Board and the public outreach task groups.

The Public Advisory Panel is a sounding board for Responsible Care®. For the past two years, panel members have voluntarily offered their frank advice on each of the codes. The panel has also helped shape the content of resource materials. Their input is considered exceedingly valuable and their recommendations directly affect industry's actions.

At the close of 1990, CMA decided to make Responsible Care® available to companies and associations outside the membership through a Responsible Care® Partnership Program. Six associations were signed up by early 1991. The Partnership Program allows individual companies or related chemical associations to participate in Responsible Care®. Partnership companies assume the same commitments required of CMA companies.

Responsible Care® is also being promoted internationally.

The International Council of Chemical Associations hosted an international conference on Responsible Care® in the spring of 1991. Participants included chemical associations from the United States, Canada, Europe, Japan and Australia. The conference provided an opportunity for industries in other countries to learn about Responsible Care® from groups that have adopted or are considering adopting the initiative.

CMA expects to see the greatest growth in three key areas over the next year: completion of the final codes and code segments, mutual assistance between companies where an exchange of ideas and assistance can flourish, and public outreach - letting people know of our commitment and how our efforts are progressing.



L to R. Claudette Cofta

CMA, and Glenn Wecker

lin, Chevron Chemical, of

the Responsible Care*

Product Stewardship

Code Drafting Group.

TITLE III

under Title III

In 1990, EPA again commended the chemical industry for the highest rate of compliance with SARA Title III, the Emergency Planning and Right-to-Know Act. The chemical industry has earned such distinction since 1987, the year Title III became law. Much of the industry's leadership in Title III compliance is owed to its successful voluntary initiative, CAER. Developed as a community information exchange and emergency response program, CAER predated Title III by two years. The dialogue between facilities and communities that CAER helped to foster has made it easier for facility managers to explain the data reported

Annual air emissions data are due to EPA the first of July. Through its Pollution Prevention Code under Responsible Care®, CMA collects aggregate totals of its members' emissions to the environment. The totals have consistently shown a downward trend. From 1988 to 1989, emissions to air, land and water declined 13 percent. From 1987 to 1989, emissions declined 15 percent. It's notable that the reductions are occuring during a period of continued economic growth in the chemical industry.



L to R, Jim Murray, Union Carbide, and Thomas Morris, Phillips Petroleum, of the Federal Government Relations

L to R. Megan Burns and

Don Verrico, Du Pont, of

the Responsible Care*

Communications Task

Jim Hinton, Dow Chemical, of the CAER Task Group.

Title III has helped the chemical industry reduce its emissions by making the industry more acutely aware of them. Through Responsible Care®, CMA members have pledged to

further reduce their emissions. To do so, members are pursuing pollution prevention strategies that are both environmentally sound and economically feasible.

In addition to guiding the industry through the compliance and outreach aspects of Title III, CMA also keeps its members informed of changes in the law. CMA's Reporting Issues Work Group alerts members when EPA decides to add or delete chemicals from the list of hazardous substances that must be reported. The work group also comments on EPA implementation regulations to make them more reflective of actual industry operations.

Reporting requirements that may unduly burden the industry also get close attention. Recently, EPA indicated that the new Pollution Prevention Act of 1990 will add new data fields to the reporting form under Title III. CMA is working closely with EPA to ensure that the data requests are reasonable and not burdensome. In another case, CMA spent most of this year attempting to prevent Peak Release reporting, a burdensome requirement without merit, from becoming a regulation.

The release data reported to EPA is available to the public through the Toxic Chemical Release Inventory (TRI). TRI is a computerized data base developed by the National Library of Medicine. Citizens can access the data base through thousands of libraries nationwide or by using a personal computer.

State Activities

Vicky Suazo, Dow Chem

cal member of the Com

munications Committee.

An increasing number of states are proposing to tax emissions reported under SARA Title III. Presented as mechanisms to reduce pollution, the tax proposals are actually designed to fund significant portions of the states' environmental departments. The proposals are appearing at a time when states are looking for ways to generate revenue without increasing general taxes. CMA is working with state chemical industry councils (CICs) to defeat such taxes because they present an economic disadvantage to industry.

Within CMA a major effort is underway to help CICs take the lead in communicating the industry's experience with reducing emissions under Title III. Support materials will include a data base containing the chemical industry's Toxic Release Inventory data, and an annual summary of the chemical industry's experiences by state. The materials will be available to members of the Federation of State Chemical Associations.

CAER

Ithough industry's Community Awareness and Emergency Response (CAER) program remains unchanged, CAER's focus has shifted. SARA Title III has made emergency planning a statutory requirement and CMA members are committed to working with the community through CMA's Responsible Care® initiative. The voluntary CAER program set the stage for the more extensive community outreach activities under the Responsible Care® CAER Code of Management Practices.



Jeff Brown, Eli Lilly and Company, of the CAER Task Group.

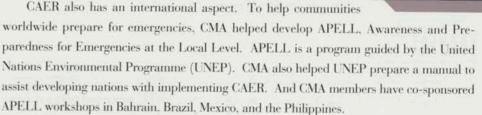
This is the second year members evaluated their progress on the CAER Code. Among other benefits, the evaluations help CMA develop materials to assist members in code implementation and to complement company activities. Three resources of particular help are the CAER resource disk - a compilation of resources for implementing the code that includes examples of successful practices, the CAER Q & A Guide - answers to the most frequently asked questions about CAER, and the 1990 CAER Progress Report.

Much of CMA's current emphasis is on helping companies fulfill their community awareness obligations. CMA has offered a number of training workshops focused specifically on public outreach.

Effective community outreach techniques are also offered through CMA's risk communication course. Strong demand for the course extended its offering to eight times a year, in addition to individual company instruction. Industry personnel and experts in risk communication and training developed the course, which also focuses on risk assessment and audience identification.

Plant employees who involve themselves in community outreach activities to improve industry's relationship with the community are recognized through CAER's awards program. To date, CMA has recognized the efforts of 560 employees across the country and in Mexico. CMA also rewards facilities and local emergency planning committees for their dedication to CAER.

A new development this year is the production of a crisis management manual and accompanying videotape. The Crisis Management Work Group, under the CAER Task Group, commissioned the manual to help companies implement the CAER Code. Many of the principles of crisis management are embodied in the CAER Code. The distribution of the manual and videotape was scheduled for June 1991.





L to R, Sandra Cuevas, Exxon Chemical, and Wally Dyste, Dow Corning, of the CAER Task Group.

NCBIC

uring 1990, CHEMTREC, the Chemical Transportation Emergency Center, received almost 6,000 requests for membership because of a Department of Transportation (DOT) rule. This phenomenal one-year growth brought total membership to more than 10,000 hazardous materials shippers and more than 500 carriers. The surge in membership challenges all services of the National Chemical Response and Information Center (NCRIC), of which CHEMTREC is a part.

The DOT rule that drove membership growth requires shippers of hazardous materials to have a 24-hour contact who can provide immediate and comprehensive information on shipped products. Since 1980, DOT has allowed the use of CHEMTREC's 24-hour number for companies that comply with CHEMTREC's data requirements. Most major manufacturers and shippers of hazardous materials have been aware of the regulation since first proposed in 1989. But thousands of small businesses registered with CHEMTREC at the final deadline.

Expanded membership places new demands on NCRIC. Material safety data sheets (MSDS) required of CHEMTREC members jumped from 450,000 in 1990 to over one million by May 1991. A computerized optical storage system with storage capacity for 14.5 million pages replaced the old one that stored 3.5 million pages. Telephone capacity was increased substantially to 24 toll-free lines to accommodate a greater volume of inquiries. The new system also enables operators to quickly transfer nonessential phone calls. It's estimated that 80 percent of incoming calls to CHEMTREC require assistance for other than chemical transportation emergencies.

CMA is also pursuing plans to strengthen relationships with poison control centers under a new initiative named MEDTREC, medical treatment emergency communications. As part of the CHEMTREC emergency response network, these centers could quicken response time during an emergency.

NCRIC Services

This past year, CMA formed a NCRIC advisory panel. The panel is composed of the user communities for all of NCRIC's services. CMA looks to the panel to help NCRIC strengthen communications with its audiences and gain a better understanding of user needs.

CMA also formed an ad hoc board committee to review NCRIC operations. The committee will ensure that the NCRIC program receives adequate resources to keep pace with the ever-increasing demands for its services.

Alone or in combination, NCRIC's services make vital contributions to the success of Responsible Care®. Following are brief descriptions of each service.

CHEMTREC

- ▶ Developed in 1971.
- Provides 24-hour communications with emergency response personnel, chemists, product specialists and medical departments of more than 10,000 hazardous materials shippers and 500 carriers.
- Coordinates with mutual aid groups.
- Retains a data base containing emergency response recommendations on more than 4,000 chemical commodities and more than 1,000,000 MSDS provided by manufacturers
- MSDS are provided directly to emergency response organizations via FAX during emergencies.

CHEMNET

- Developed in 1985.
- Access to more than 250 chemical industry emergency response teams trained to mitigate chemical spills, leaks and fires.
- Activated by shippers who are CHEMNET members.

Chemical Referral Center

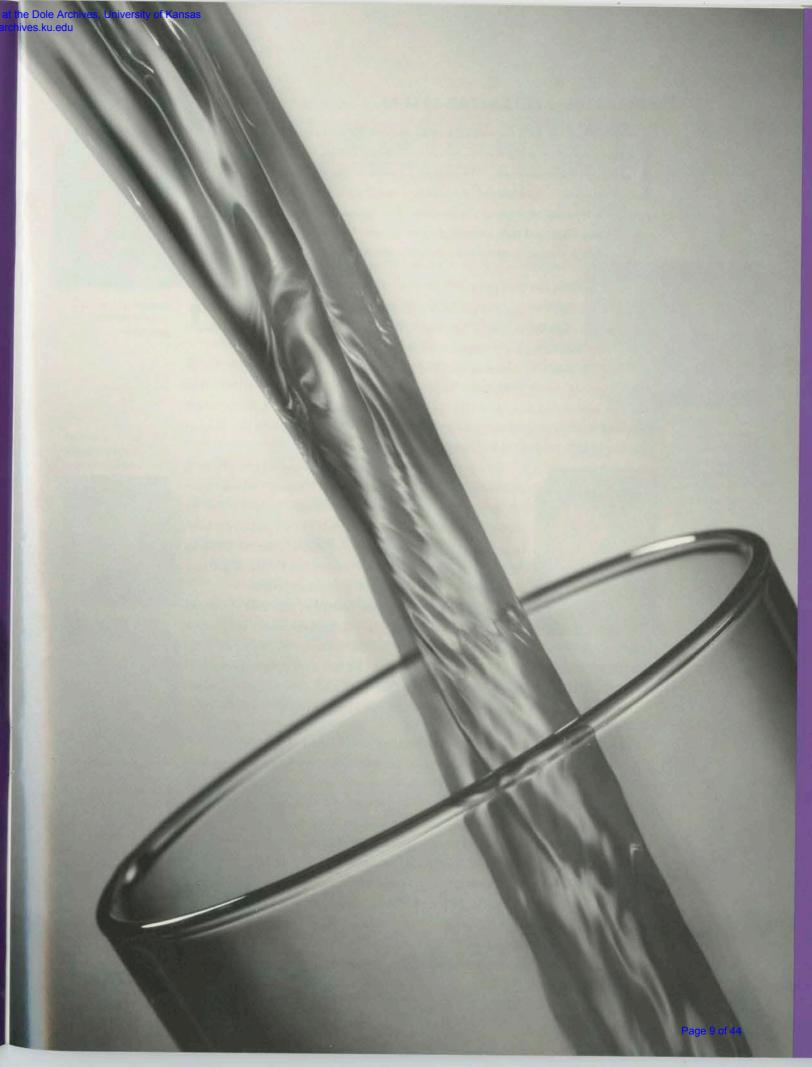
- Developed in 1985.
- Public access to non-emergency chemical information through referral to manufacturer of chemical or product.
- Receives more than 15,000 calls per year; average 75 calls per day.
- Toll-free number (800-262-8200); used by fire/police services, chemical and commercial industry employees, doctors, housewives, educators and government officials.

Emergency Response Training

- Developed in 1985.
- Includes the Lending Library of audiovisual training programs; more than 11,500 training programs loaned since 1985. More than 500,000 emergency responders have viewed the programs.
- Offers four regional workshops per year to emergency response personnel; trains more than 350 people each year.
- Assists in conducting local emergency response drills in communities throughout North America.

ENVIRONMENTAL ACTIONS

the environment is clearly at the top of the nation's agenda. It's time the nation learns that it's also at the top of the chemical industry's agenda." Robert D. Kennedy, former CMA Board chairman, captured the chemical industry's perspective on the environment in this statement. Environmental stewardship is a responsibility the chemical industry accepts as a leader in reducing industrial hazards to the environment.



POLLUTION PREVENTION ISSUES

n early February. EPA announced a pollution prevention strategy that it hopes will become a preferred option for reducing threats to public health and the environment. The strategy is unique in two ways. First, Lit is voluntary. And second, it outlines a multi-media regulatory approach to reducing environmental pollutants. The approach is novel for both EPA and CMA, and each are struggling to interpret how the strategy can be applied to existing program areas and reduction efforts.



Dennis Redinaton, Monvention Task Group.

Industrial Toxics Project

The Industrial Toxics Project (ITP) is the first of four projects under the strategy. The others will address agriculture, energy, and federal facilities. More than 600 U.S. companies received EPA's initial request to cooperate in the ITP.

The ITP's goal is to reduce by one-third the total releases and transfers of 17 target chemicals by the end of 1992; and to reduce them by one half by the end of 1995. The chemicals were drawn from the SARA Toxic Release Inventory data. EPA Administrator Reilly said of the project, "If we succeed, the initiative could set the pace for a new, cooperative way of addressing the nation's environmental goals."

Neil Neunche, Olin, of the Pollution Preven tion Task Group



Shortly after the announcement, CMA met with Mr. Reilly to gain clarification on a number of issues. Among the issues were: full use of the pollution prevention hierarchy: assurance that the participation is voluntary and those who do not participate won't be penalized; recognition of early reductions under the Clean Air Act (CAA) as applicable to this project; and the use of the toxic release inventory as the yardstick for tracking progress.

CMA supports the general concept of voluntary reductions. Its members have made this commitment under Responsible

Care® and are carefully evaluating voluntary reduction opportunities under the CAA. Specifically, members are looking at a provision in the act that gives companies credit for early reductions. CMA has encouraged its members to continue their voluntary activities while assessments are being made on how existing reduction efforts coincide with the ITP.

Other Pollution Prevention Activities

CMA is also engaged in two other pollution prevention activities. One is implementation of the Responsible Care® Pollution Prevention Code. The code is in two parts. The first part, formerly called the Waste and Release Reduction Code, emphasizes use of the pollution prevention hierarchy. The second part of the code will address public concerns associated with broader waste management issues. The CMA Board is scheduled to review the second portion in September 1991.



Denise Branch, East man Chemical, of the Pollution Prevention Task Group

The second activity relates to pollution prevention aspects of existing environmental legislation. CMA matrix teams are looking at how the new strategy affects regulatory development in existing statutes. They are also attempting to gauge how pollution prevention will be included in upcoming reauthorizations of statutes such as, the Clean Water Act, TSCA and RCRA.

AIR ISSUES

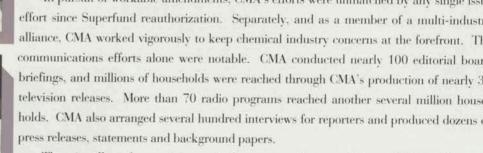
n November 1990, Congress passed Clean Air Act (CAA) amendments. bringing to a close a reauthorization process that began ten years ago. CMA's CAA activities have not diminished, however, but have shifted to implementing the amendments. The resulting legislation will require chemical companies to reduce toxic air emissions by at least 90 percent. But the industry was able to affect how those reductions will be managed. Although tough, the new amendments satisfied several of industry's key objectives.



One objective was to use maximum achievable control technology (MACT). New amendments require EPA to develop emission standards for each source of specified pollutants based on MACT.

Credit for early reduction of emissions was a major objective for the chemical industry. The provision allows companies that have voluntarily reduced their emissions to be rewarded. Companies demonstrating a 90 percent decrease in emissions since 1987 will receive a six-year extension of the MACT compliance date.

In pursuit of workable amendments, CMA's efforts were unmatched by any single issue effort since Superfund reauthorization. Separately, and as a member of a multi-industry alliance, CMA worked vigorously to keep chemical industry concerns at the forefront. The communications efforts alone were notable. CMA conducted nearly 100 editorial board briefings, and millions of households were reached through CMA's production of nearly 30 television releases. More than 70 radio programs reached another several million households. CMA also arranged several hundred interviews for reporters and produced dozens of press releases, statements and background papers.



There is still much negotiating to be done on how the amendments will be implemented at the federal, state and local levels. Steep implementation costs, a compressed compliance period, and an expansion in the number of emission sources requiring permits head the list of industry's concerns. In addition, the expanded permitting requirements will substantially increase state responsibilities in issuing permits. These concerns and others moved CMA to adopt a more open and proactive approach with EPA by providing data and advice before major policy decisions are made. The approach is part of a strategic five-year plan adopted by the CMA Board in January 1991 to guide CMA's CAA implementation activities.

Separate from clean air implementation, EPA initiated a project in January to promote voluntary compliance with a set of established emission reduction goals. CMA is working to ensure that the project coincides with all provisions of the CAA. This is particularly important because most of CMA's companies are already reducing emissions under Responsible Care® and in the aggregate, the chemical industry is ahead of most industries in terms of emission controls.

Chemical and Jerry Martin Dow Chemical, of the Envionmental Management

Tom Jennings, Occidental Chemical member of the **Environmental Management**

Ernie Rosenberg, Occiden-

tal Chemical, of the Air Leg-

islative Issues Task Groun

WASTE ISSUES

ongress has made clear its intention to give reauthorization of the Resource Conservation and Recovery Act (RCRA) high priority. When it last amended RCRA in 1984. Congress focused almost entirely on hazardous waste issues. Since that time, the public has become increasingly concerned about non-hazardous waste management. The chemical industry manages considerably more non-hazardous waste than hazardous and believes all wastes should be managed in a way that is protective of human health and the environment. CMA will use RCRA reauthorization hearings to emphasize non-hazardous waste issues.

A number of other issues will also warrant CMA's attention. Recycling and pollution prevention must be addressed, as well as product composition restrictions or product bans. CMA will prepare for proposals to expand the universe of hazardous waste, extend corrective action beyond waste treatment facilities, and restrict interstate waste transport.

The right of states to unilaterally ban or charge differential fees for treatment and disposal of out-of-state waste is expected to be much debated. In Alabama, South Carolina and Indiana, courts ruled against state attempts to restrict or ban interstate waste import on the grounds of interference with interstate commerce. Nonetheless, states continue to intro-

> duce legislation restricting the import of out-of-state waste. CMA developed an interdisciplinary task group to address the state and federal implications arising from this issue.

Last year, EPA promulgated a new toxicity characteristic. which resulted in adding 25 chemical constituents to the list of compounds regulated as hazardous. The new characteristic will bring many facilities and units under RCRA for the first time. CMA succeeded in persuading EPA to establish more reasonable hazardous

concentration regulatory levels for the 25 chemicals than it had originally proposed. CMA

will continue to work with EPA on reasonable treatment standards for these additional substances. CMA also hopes to convince EPA to establish de minimis concentration levels below which listed wastes would no longer be considered hazardous.

The scope and cost of EPA's corrective action program continues to cause CMA concern. The escalating costs of cleaning up solid waste management units could exceed Superfund costs. Unlike Superfund, facility owners will bear the entire cost of cleanup rather

than apportion it among potentially responsible parties. In addition, Congress is likely to be pressed to expand corrective action to tank facilities as well as recycling and non-hazardous waste management facilities. CMA will comment on the proposed rule and work with EPA as the agency continues to refine the process.



Foreground, Walt Buchholtz, Exxon Chemical, of the Waste and Release Reduction Implementation

Arnold Feldman, Olin, of the Waste and Release Industry Program Work Group.

Underground Injection

CMA and individual member companies helped keep the petition process for underground injection control on track. CMA met frequently with officials at EPA's headquarters and regional offices, as well as with state agencies. And member company representatives kept in constant contact with congressional staff to move the process forward.

Without CMA's prompting, many of the petitions to demonstrate that injected hazardous wastes would not migrate would not have been approved by the statutory deadlines. Without approval, companies would have had to stop injecting hazardous wastes on May 8, 1990. CMA worked with EPA on procedures for allowing individual extensions to the land disposal restrictions for injection wells.

Also, as part of a negotiated litigation settlement, EPA will codify CMA's guidance on the use of health-based limits in making a no-migration demonstration.

In an effort to make EPA's land disposal restrictions more reasonable, CMA persuaded EPA that facilities should be allowed to continue aggregating wastewater for centralized treatment and disposal, and to manage non-hazardous wastewater in non-hazardous injection wells.

The use of deepwells for disposal of hazardous waste could be threatened by the next RCRA reauthorization. CMA member companies will educate Congress on deepwell injection for appropriate wastes in appropriate geologic settings.

SUPERFUND

n part to avoid program disruptions, Congress reauthorized Superfund in October 1990, a full year before its expiration. The reauthorization extends Superfund's program elements for four years and taxing authority for five years. CMA did not oppose the reauthorization as long as other modifications were not made to the statute.

> Despite reauthorization, Congress intends to hold oversight hearings. CMA supports the comprehensive hearings because of EPA actions.

EPA's unilateral decision to prohibit potentially responsible parties (PRP) from performing risk assessments at Superfund sites led CMA to file suit against EPA. The suit charged that such a decision should have been made under rulemaking procedures and not independently by the agency. EPA's action casts doubt on how it will handle other Superfund management decisions.

Prohibitive transaction costs are a continuing concern for CMA. Transaction costs refer to settlement negotiation, legal and litigation costs not directly related to cleanup activities. CMA is probing for ways to accelerate Superfund cleanup while reducing unnecessary delays and transaction costs.



L to R. Matt Yunaska. Rohm and Haas, and Karen St. John. Amoco of the Super fund Task Group.



Joe Hovious, Union Carbide, of the Supe fund Task Group.



Mort Mullins Monsanto of the Superfund Task

Donna Carville Dow

Chemical, of the Waste

and Release Reduction

Industry Program Work

Superfund's liability structure was contested by a number of lending institutions seeking exemption from potential liability. CMA opposes efforts in Congress to exempt specific groups from liability. But CMA also testified that Congress should review Superfund's entire liability standard. Monsanto's Morton Mullins, chairman of CMA's Superfund Task Group, told a Senate subcommittee that instead of preferential treatment, "a more appropriate and far more important topic for this subcommittee to consider is the liability's impact on all (potentially responsible parties)."

Last fall, EPA's Science Advisory Board produced a study on the potential risks to human health and the environment from a range of environmental threats. The board concluded that the concentration of attention and resources spent on Superfund did not reflect the reality of actual risks to human health and the environment. CMA anticipates that EPA will review its priorities to bring them more in line with actual risks.

WATER ISSUES

ongress surprised many by its motions last fall to put the Clean Water Act (CWA) on a fast track for reauthorization. The CWA is not due to be reauthorized until February 1992. It has been just four years since Congress last amended the act and businesses and industry are still implementing the changes. Prospects for more amendments seem to be approaching quickly, too

> quickly. CMA believes, to know the full impact of the 1987 amendments.

Issues slated for consideration are likely to include wetlands, non-point source pollution, funding, and pollution prevention. The reasons these issues are in the forefront vary.

The wetlands issue is generally thought to be driving fast-track CWA reauthorization, and is currently an active issue in the House.

Managing non-point source pollution such as agricultural and urban runoff will prompt strong debate. The CWA requires states to establish management programs for non-point sources but limited funding has slowed progress in this area.

Funding for constructing treatment works and administering the water programs is expected to be a contentious issue. And finally, attempts to incorporate additional pollution prevention requirements into the CWA are anticipated.

CMA has responded to the unexpected reauthorization drive by moving quickly to establish positions on key issues and develop relationships with other affected trade associa-

Generally, CMA supports constructive, reasonable amendments that are clearly warranted to significantly improve surface water quality. Other recommendations include:

Market incentives such as tax credits, accelerated depreciation schedules and tradeable credits:



Dick Schwer, Du Pont, of the Water Quality and Sediment Criteria Work

Ken Robillard, Eastman Chemical, of the Water Quality and Sediment Crite ria Work Group.

- Voluntary, cross media pollution prevention measures:
- Permit fees as a source of revenue if tied to processing applications; and.
- Wetlands provisions that more effectively and sensibly accommodate competing usage and conservation demands.

Under development are positions on non-point source pollution and sediment quality.

Great Lakes Water Quality Initiative

In November 1990, President Bush signed into law the Great Lakes Critical Programs Act to ensure the Great Lakes Initiative is implemented in a timely manner. One of the goals of the initiative is the eventual elimination of discharges of persistent toxic substances into the Great Lakes region. CMA is working closely with the state chemical industry councils in the Great Lakes region on this critical issue.

GROUNDWATER

estern water rights concerns and the diverse nature of groundwater have thwarted past congressional attempts to create a groundwater bill. In recent years, the only bills that have progressed through Congress have been designed to coordinate government research, encourage federal assistance to states on

technical and financial matters, and assist states in establishing groundwater protection plans. None of these bills have been enacted.

Recently, the drive to pass comprehensive federal legislation has weakened. But Congress has not dropped groundwater from its environmental agenda.

Instead, Congress has shifted its emphasis from developing a groundwater bill to including groundwater provisions in other major environmental laws. Industry expects that reauthorization proposals

for the Clean Water Act and the Resource Conservation and Recovery Act may contain groundwater controls.

CMA has remained firmly opposed to comprehensive federal legislation and in favor of state generated and administered protection plans and programs.

Virtually all states have or are considering groundwater legislation or are implementing groundwater management programs.

An EPA task force commissioned to develop principles to guide EPA decisions on groundwater also favored state primacy. CMA will continue to solidify its position, anticipating that groundwater issues will be on the agenda of other environmental legislation.



Steve Kilpatrick Dow Chemical, of the Groundwater Man agement Task Group.



Larry Lockner, Shell Chemical of the Groundwater Management Task Group.

L to R, Mohammad

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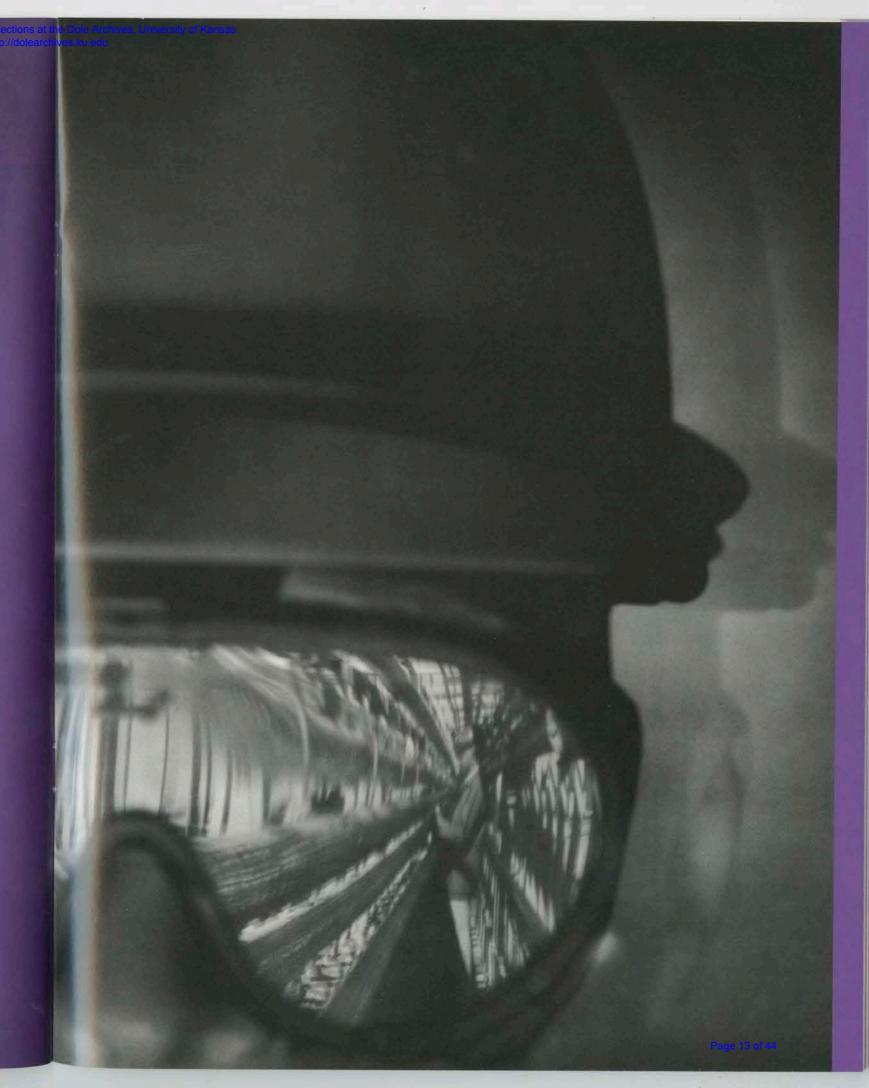
Water Quality and

Sediment Criteria

Work Group.

HEALTH & SAFETY ACTIONS

Safety Council as one of the safest of all industries speaks loudly of the chemical industry's commitment to safety. Hand-in-hand with that commitment is industry's emphasis on health issues. Cooperative exchanges with government regulators advance the effectiveness of health and safety regulations. Plant participation in industry initiatives helps communities plan for emergencies. Industry's independent research on chemicals improves human health.



PLANT AND PROCESS SAFETY

he majority of the chemical industry's domestic plant and process safety issues fall under the purview of EPA or OSHA. CMA works closely with both. At times, regulatory responsibilities of the two agencies overlap. The Clean Air Act is one example. In this instance, OSHA's emphasis is on plant and process safety measures as they affect employees. EPA's emphasis is on accidental releases that may affect the plant community and the environment. CMA's challenge is to encourage the agencies to coordinate their regulations on plant and process safety so that members will not have duplicative regulatory requirements.

Domestic Issues

CMA supports OSHA's proposed rule on Process Safety Management of Highly Hazardous Chemicals. During testimony in November, CMA member company representatives upheld OSHA's approach to process safety through performance-based management. They also took the opportunity to reiterate the industry's positions on a number of issues including trade secret protection, worker participation, contractor safety and safety audits.

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Tom Marriott, Air Products and Chemicals, member of the Health and Safety Committee



L to R, John Willett, Shell Chemical, and Kathryn Rosica, CMA, of the Health and Safety Com-

Many of these same issues will surface under OSHA's review of plant and process safety at about 26 plants

throughout the country. The review or "special emphasis program" is taking place over the next year and a half. CMA will compare OSHA's findings with CMA member reports on process safety under the Responsible Care® Process Safety Code.

Recent industry accidents have demonstrated the need to review contractor safety in the chemical industry. OSHA commissioned the John Gray Institute (JGI) to look at safety and health practices as they apply to contractors.

CMA participated on the JGI Steering Committee and found the preliminary reports to be of concern. For this reason, CMA requested of OSHA a third-party review to confirm the study's credibility as factually-based. CMA expects hearings to be conducted on the final report, which is due in early summer.

International Issues

On international plant and process safety issues, CMA works closely with the International Labor Organization (ILO) and the Organization for Economic Cooperation and Development (OECD). The ILO is developing international process safety documents for third world countries. OECD is developing guiding principles for its member countries. Should the United States sign an ILO convention on international process safety, the convention could influence domestic and international chemical operations.

CMA also works closely with international standards organizations and other groups, including the Department of Commerce and the American National Standards Institute. CMA's mission is to ensure that chemical industry interests are represented in the trade and



James Senger, Monsanto, member of the Health and Safety Committee.

policy decisions affected by standards, testing and certification. Through its Electrical Standards and Codes Task Group, CMA interfaces with the International Electrotechnical Commission to ensure that CMA companies are not locked-out of international competition by prohibitive standards and codes.

Pollution Prevention

Included in all of CMA's decisions on plant and process safety is adherence to a pollution prevention framework. CMA tracks the development of international standards that affect the design of manufacturing processes. Such design standards drive the pollution prevention measures undertaken by CMA members.

CMA works in partnerships with the American Institute of Chemical Engineers, government laboratories and other groups to explore state-of-the-art technology in plant and process design. Specifically, they look at the design, construction, operation and maintenance of equipment, facilities and processes. The common goal of these partnerships is to ensure excellence in the areas of source reduction, reuse, recycling and waste treatment.

PRODUCT STEWARDSHIP AND TSCA

he principles of product stewardship, to which CMA members are bound under Responsible Care®, are formally identified in the Product Stewardship Code of Management Practices. More than a set of principles, the code embodies a mindset of corporate responsibility for a product's entire lifespan. CMA members are using the framework of product stewardship to make responsible decisions about their products.

One of industry's most important stewardship issues is how to communicate product use, handling, and hazard information to employees and customers. CMA has taken a leadership position on this issue by sponsoring a new American National Standard for preparing material safety data sheets (MSDS). The proposed standard will be based on guidelines CMA developed to make MSDS more helpful, consistent and understandable. CMA is currently soliciting the views of other organizations

with direct interest in improving MSDS. CMA is also pursuing an international consensus on MSDS.

Improving information sharing is also a focus of CMA's Toxic Substances Control Act (TSCA) Information Forums. At these bimonthly gatherings of CMA members and EPA staff, members get help interpreting TSCA regulations. Members also have an opportunity to exchange information and ideas with EPA staff that could help EPA write regulations.



L to R, Barbara Stevens, Shell Chemical, and Sondra O'Black, Mobay, of the MSDS Work Group.

At the core of CMA's TSCA activities is alleviating the law's reporting burdens and striving for more cost-effective regulations. This emphasis will carry over to preparations for TSCA reauthorization. Congress is scheduled to reauthorize TSCA in 1991. With sever-

Ethyl, of the MSDS Work Group.

Kenneth Rayford.

al major environmental laws to consider, however, it's unclear how far Congress will proceed with TSCA before recessing for the summer.

A more immediate concern is a new rule on environmental hazard communication that EPA is developing. The rule will require manufacturers to communicate the environmental hazards of specific products. CMA is working with EPA and will strive to make the rule consistent with OSHA's hazard communication standard.



Joan McCuen, ARCO Chemical, of the Chemical Reporting Task Group.

An important aspect of product stewardship is adding to the knowledge base of the hazards of existing chemicals. CMA is part of an international cooperative effort sponsored by the Organization for Economic Cooperation and Development to test existing high production volume chemicals. Still in its early stages, the program has received commitments from U.S. companies volunteering to test chemicals. Japan, Canada and many European countries are also part of the testing program.

In concert with the goals of Responsible Care®, CAER, and product stewardship is a new industry initiative that will improve industry's medical emergency response efforts. MEDTREC, medical treatment emergency communications, will give physicians and other emergency personnel access to treatment information beyond first aid. CMA is working with the Agency for Toxic Substances and Disease Registry to develop medical management information on selected hazardous chemicals. In cooperation with the American Association of Poison Control Centers, CMA is also spearheading training to improve response capabilities in handling medical emergency inquiries involving industrial chemicals.

OCCUPATIONAL SAFETY AND HEALTH

MA continues to work closely with OSHA on its development of safety standards. Standards for medical surveillance, respiratory protection, motor vehicle safety, construction, personal protective equipment and ergonomics are important to the chemical industry's million employees, all of whom are covered by OSHA.

CMA anticipates that Congress will conduct hearings on OSHA reform later this year. The hearings are likely to consider changes to the legislative statute as well as current OSHA practices. The AFL-CIO has made it clear that it will press for giving employees broad new participation rights in the health and safety decisions of the workplace. CMA is in the final stages of developing a policy on employee participation. Other issues expected to arise are contractor safety, criminal penalties for violations of OSHA statutes, and more aggressive regulatory measures for workplace hazards.



Jim Keith, Dow Chemical, of the Chemical Reporting Task Group.

RISK MANAGEMENT AND ASSESSMENT

Representations in all areas of the industry's operations. New legislative and regulatory programs, such as the Clean Air Act, have opened up more opportunities to affect how risk assessment is used to regulate operations and products. For this purpose, CMA has combined the elements of risk management and many assessment methods into one program area that addresses risk and exposure assessment, epidemiology, ecological risk assessment, and scientific issues such as immunotoxicology and biomarkers.

An important aspect of this new CMA program area is an integrated outreach program with Congress, federal agencies, the Administration and other organizations involved in risk management and assessment.

CMA's work in risk assessment also includes providing technical review and comment on environmental and health regulations that are based on health risk assessments. The regulations under RCRA, Superfund, the Clean Water Act, and the Clean Air Act fall into this area. CMA's regulatory advocacy is geared toward making sure

> that the methods used to develop those regulations are accurate, scientifically based, timely, incorporate all available scientific information, and represent the best thinking available on how to assess risk. The CMA Technical and State Affairs Departments provided

technical review and comment on the draft risk assessment protocol developed by The Society of the Plastics Industry. The protocol will

be used to evaluate the potential toxicity of packaging constituents prior to restricting or banning their use. The protocol was developed for the Coalition of Northeastern Governors (CONEG) Source Reduction Council to address their concerns with toxics in the municipal waste stream in the Northeast.

ERIC, CMA's Epidemiology Resource and Information Center project, also falls under the new program area. CMA completed its guidelines for good epidemiology practices and presented them at a March workshop for industry epidemiologists. These guidelines will also be distributed widely to other epidemiology researchers and will be published in the scientific literature. CMA also completed its resource manual to help companies improve or begin their own epidemiology programs.

CHEMSTAR

Michael Kaplan

Group.

Du Pont, of the Risk Assessment Task

he Chemical Self-funded Technical Advocacy and Research (CHEMSTAR) panels include single issue groups aimed at one chemical product as well as large, complex organizations that address families of products. The panels are in the forefront of CMA's regulatory activities and work closely with the association's standing committees.

CHEMSTAR panels help save the chemical industry millions of dollars through persuasive presentations to Congress of scientific,



Matthew Bogdanffy, Du Pont, of the Risk Assessment Task Group.

L to R, Robert Heck and Kenneth Rushin, Eastman Chemical, Gary Herrman, CMA, and Ernest Drew, Hoechst Celanese, of the CHEMSTAR Policy Committee.





Ronald Carlson, Amoco Chemical, of the Total Quality Council.

technical and economic data. They are vital parts of CMA's advocacy to develop or modify regulations to benefit society and the chemical industry.

In the 19 years since the first panel was established, CMA member companies have spent \$63 million on CHEMSTAR activities. In FY 1989-1990, CMA managed the disbursement of approximately \$10 million in panel funds.

CHEMSTAR Business Councils

The CHEMSTAR Business Councils are a more recent development. Distinct from the panels, which focus on chemical specific issues, the Business Councils allow members to address specialized interests of a business sector or business function of the chemical industry. CMA now has five such councils: Total Quality, Chemical Distributors, Carrier Assessment, Atmospheric Research, and Laboratory and Research Chemicals.

DISTRIBUTION

In January, CMA members got their first look at the Distribution Code of Management Practices under Responsible Care®. The tremendous challenge of producing the code consumed CMA's Distribution Committee this past year. More than 100 CMA companies and allied organizations along with CMA staff contributed their expertise. Once the code was final, the committee launched an outreach program to help members implement the code. The outreach began with the development of a number of implementation aids. Workshops held across the country were standing room only. In May, members submitted their first self-evaluations.

Distribution stewardship, however, does not stop with the production of a code. Rather, it penetrates all aspects of corporate responsibility for distribution activities.

The new Hazardous Materials Transportation Uniform Safety Act (HMTUSA) will complement the Responsible Care $^{\otimes}$ initiative. The updated act should significantly improve the overall safety of transporting hazardous materials.

The HMTUSA excluded a mandated central computer tracking system for all hazardous materials shipments. Proposals for the system were technically unsound and would have been burdensome to the chemical industry and the emergency response community. Instead, the act authorizes a study on the feasibility and merits of such a system.

Matthew Watts, Union Carbide, of the Rail Safety Task Group.



The HMTUSA also calls for a study on the benefits of a regional hazardous materials emergency response system, a provision CMA supported. Another provision establishes procedures whereby states can help determine routes for transporting hazardous materials by highway, based on national guidelines.

Cooperation and coordination have been the keys to a successful interindustry initiative that includes CMA, the Association of American Railroads and the Railway Progress Institute. Together, they comprise the Interindustry Rail Safety Task Force. This year,

the task force produced more than two dozen recommendations to enhance safety in chemical transport by rail. Twelve of those recommendations and implementation guidelines are



L to R, Charles Keller, Association of American Railroads, and Joe Jaskot, FMC, of the Rail Safety Task Group.

discussed in CMA's new Implementation Manual for rail safety. The task force also completed a series of videotape training programs for chemical industry customers.

Based on the successes of the Interindustry Rail Safety Task Force, CMA has recently forged a second interindustry initiative with the National Tank Truck Carriers, Inc., to address problems associated with bulk carriage of products by highway.

A number of organizations have come together with CMA to sponsor TRANSCAER, Transportation Community Awareness and Emergency Response.

The organizations are the Association of American Railroads, National Association of Chemical Distributors, National Tank Truck Carriers, American Petroleum Institute, Hazardous Materials Advisory Council, American Trucking Association and The Chlorine Institute.

The involvement of these organizations will expand the audience of industry groups

helping to build better working relationships with community officials, emergency responders and the general public. CMA has completed a guidance manual to help communities review and enhance existing emergency response plans. Other implementation aids include workshops, and a videotape, slide presentation and information packet explaining TRANSCAER and its goals. Ohio has hosted a series of state-level workshops. States that have initiated TRANSCAER pilot programs include New Jersey, Michigan and Texas.



L to R, Marty Mathesor American Petroleum Institute, and Michelle Morris, Dow Chemical, of the TRANSCAER Task Group.

New performance-oriented packaging standards established by the Department of Transportation are expected to produce safer methods of transporting hazardous chemicals. The multi-year effort to restructure packaging standards involved the chemical industry, government and the United Nations. The new regulations will also make domestic standards more compatible with international standards.

Lending Library And Training Programs

Since 1985, CMA's Lending Library of emergency response training videos has loaned out more than 11,500 programs. More than 500,000 emergency responders have viewed the videos. The library currently hosts 40 training programs and does not charge for its services in the United States.

The library also includes CMA-produced training videos. The third videotape in a series of five, each addressing a different hazard class of materials, will be available this year. The first two videos, one on oxidizers and the other on poisons, have been used extensively by the emergency response community, and the Federal Emergency Management Agency has used them nationwide through teleconferencing.

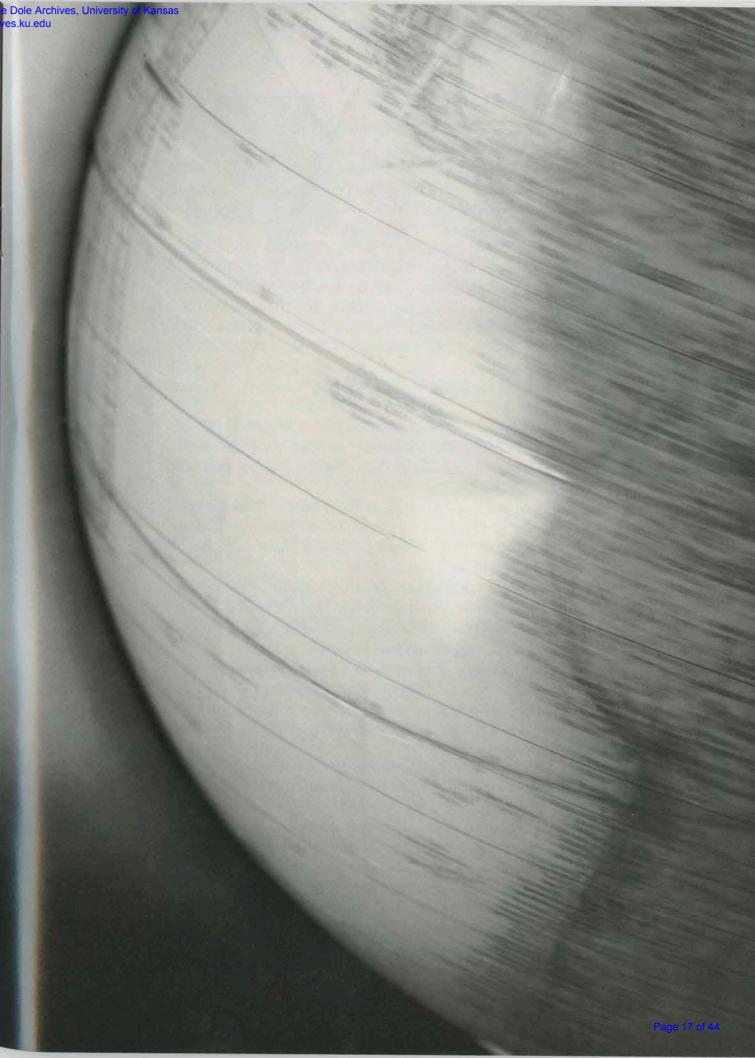
Since 1978, the Distribution Committee has sponsored hands-on emergency training workshops. More than 5,000 students have benefited from the training, which takes place in various parts of the country.



Laddie McVicker, Ethyl, of the TRANS CAER Task Group.

E CONOMIC ACTIONS

s barriers fall and the world gets smaller, trade becomes more important. With a positive trade balance of \$16.5 billion, the chemical industry looks with great interest at initiatives such as EC '92. Not only for the economic integration the initiative will bring, but for the integration of environmental regulations that must necessarily follow. Such factors have prompted CMA to become increasingly active in international chemical associations, decisive and vocal on international issues, and productive in its liaisons with foreign chemical associations.



INTERNATIONAL TRADE

Tegotiators had hoped to conclude the Uruguay Round of multilateral trade negotiations (MTN) in December 1990. But at the GATT Ministerial Meeting held in Brussels, the talks hit an impasse over European agricultural reform. In March 1991, the negotiators attempted to restart the Uruguay Round. The resumption came as good news to the chemical industry, which has much at stake in trade issues. In 1990, the chemical industry achieved a \$16.5 billion surplus in chemical trade.

Joseph Pattison, FMC, of the Trade Controls Task Group.



The continuation of the Uruguay Round depends almost entirely on whether Congress grants President Bush an extension of fast-track negotiating authority. Without the extension, the President's authority would expire June 1, 1991. The provisions of fast-track assure other parties that the United States will consider MTN agreements within a specific time and without amendments. Other countries have preapproved negotiating authority. The chemical industry testified in favor of approving the extension and lobbied

vigorously for the approval.

The Uruguay Round raises a number of critical issues for the chemical industry. Top priority is market access, which includes the reduction or elimination of tariff and non-tariff measures. Intellectual property rights protection is the next highest priority followed by improvements in investment opportunities.

Fast-track authority also applies to the proposed North American Free Trade Agreement (NAFTA) covering the United States, Mexico and Canada. Dexter Baker, Chemical Industry Trade Advisor, testified in favor of negotiations on such an agreement, suggesting that a NAFTA would create a \$6 trillion market.

The Administration is committed to pursuing the NAFTA negotiations. For the chemical industry, issues that would need to be resolved include: improved market access, liberalization of foreign investment, intellectual property rights protections, workable disputes settlement processes and consideration of environmental impacts.

Fast-track authority is only one of many trade issues under consideration by Congress that will affect the chemical industry. Other issues CMA will monitor congressional and Administration actions on include limits on foreign investment in the United States, further restrictions on export controls, foreign and trade policy actions that affect competitiveness, and how environmental issues affect trade.

CHEMICAL DIVERSION

he Chemical Diversion and Trafficking Act of 1988 (CDTA) originally regulated the domestic and international shipment of 20 chemicals that can be used to process or produce illegal drugs. Congress amended the act at the end of 1990 to increase the number of regulated chemicals to 30. According to the U.S. Drug Enforcement Administration (DEA), the United States' unilateral actions has helped stem the flow of U.S.-manufactured



Tom Helscher, Monsanto, of the International Trade Committe

L to R, Dixie Sager,

Ashland Chemical, and

Faith Wolford, Rohm

and Haas of the Trade

Controls Task Group.

L to R, Edward Jaffee, PPG Industries, and Geoffrey Hurwitz, Rohm and Haas, of the Federal Government Relations Committee.



chemicals diverted to the production of illegal drugs. Regrettably, DEA data show that the drop in diversions of U.S. chemicals has been offset by increased diversions of chemicals from other countries.

Some countries have recently instituted controls on chemicals as proscribed by the U.N. Convention on Psychotropic Substances. The United States was one of the

first countries to ratify this convention. The convention, however, only mandates controls on 12 chemicals, all of which are included in the CDTA. For the past last year and a half, CMA has campaigned to convince the chemical industries of other countries to adopt more extensive controls, such as those mandated by the CDTA. The International Council of Chemical Associations has been the chief vehicle through which CMA has promoted greater multilateral regulation of chemicals diverted for the production of illegal drugs.

L to R, Wells Denyes, Eastman Chemical, and Donald Greeley, Hoechst Celanese, of the Federal Government Relations Committee

The U.S. government was instrumental in including a directive to address the chemical diversion issue at the July 1990 Economic Summit of the Group of Seven. As a result, the Chemical Diversion Task Force was formed. This task force, which includes representatives from the United States, Canada, Europe, Japan and Latin America, will report at the next Group of Seven Economic Summit on methods of diversion, chemical coverage, and suggested laws to control diversion.

In 1990, CMA began to see positive results from its efforts to improve relations with the DEA. The DEA now regularly consults with CMA on many issues and towards the end of 1990, joined with CMA in conducting a joint conference on chemical diversion. The agency continues its efforts to better understand chemical industry operations. This greater understanding will help the DEA monitor shipments of precursor chemicals within normal industry operations, while avoiding interruptions of regular legitimate commerce.

INTERNATIONAL HEALTH, SAFETY AND ENVIRONMENTAL AFFAIRS

MA organized the International Affairs Committee (IAC) in 1989 to keep pace with international health, safety and environmental issues. Besides being priorities for many countries, these issues are taking on greater prominence in trade discussions. The IAC coordinates with a number of international governing bodies that facilitate global responses to health, safety and environmental concerns. The IAC keeps CMA members abreast of international matters impacting the U.S. chemical industry.

Ron Condray, Monsan to, member of the Inte national Affairs Committee,

One group the IAC coordinates with is the International Council of
Chemical Associations (ICCA). The Australian Chemical Industry Council is the newest
member of this group, which includes CMA and chemical organizations from Canada,
Europe and Japan. The ICCA meets biannually to discuss policy issues and programs of
international interest.

The United Nations Environment Programme (UNEP) continues to rely on CMA for help in implementing its emergency preparedness program. APELL, Awareness and Preparedness for Emergencies at the Local Level, helps communities worldwide prepare for emergencies. UNEP developed APELL with the help of CMA and the European Chemical Industry Federation. The program is modeled on CMA's CAER initiative. Throughout 1990, CMA members assisted UNEP with regional and national training workshops.

International cooperation is essential for the Organization for Economic Cooperation and Development's (OECD) program to test and assess the risk of existing chemicals. The U.S. chemical industry currently performs some 90 percent of the world's testing on commercial chemicals. OECD's program will set a precedent for international cooperative programs for this purpose.

An issue that CMA has been following closely is the transfer of environmental protection technology to developing countries. The international community has adopted a broad context for the issues of technology transfer. Funding, proprietary rights, training in technology management, government regulation, and the role of business in promoting the use of appropriate technology will come under discussion. CMA is vigilant on this issue as it has implications for many U.S. businesses and facilities in developing countries.

In April, the International Chamber of Commerce (ICC) unveiled its international business principles on environmental management at the second World Industry Conference on Environmental Management (WICEM II). CMA's Board endorsed the principles as being consistent with the Responsible Care® initiative. WICEM II was an important forum for

the issues that could be considered at the 1992 United Nations Conference on Environment and Development. The UN conference will set policy and the UN agenda on the environment for the next decade. At WICEM II, CMA had a unique opportunity to present Responsible Care® as an example of a self-improvement program.



John Master, ARCO Chemical, member of the International Affairs Committee.

Efforts continue on the implementation of the London Guidelines for the Exchange of Information on Chemicals in International Trade. The guidelines establish a "prior informed consent" procedure, whereby importing countries can decide whether to sell banned or severely restricted chemicals. A group of experts has identified an initial list of such chemicals. The European Community, United States and other exporters are enacting the internal regulations necessary to carry out their London Guidelines obligations.

International transport safety regulations and emergency preparedness for marine transport spills are becoming more important for the chemical industry. With \$36.4 billion in chemical exports and \$20.8 billion in chemical imports in 1989, the chemical industry is a major international shipper of hazardous materials. All of these shipments must comply with an extensive and growing set of regulations established in the United Nations.

In addition to these regulations, there are proposals to establish a compensation fund for marine spills of hazardous materials. The fund would be financed by charges levied on chemical shippers. The large volume of chemical shipments also requires that the industry participate in efforts to improve emergency preparedness for accidental releases during marine transport. Through its International Distribution Task Group, CMA is working to respond to these needs.

CHEMICAL WEAPONS

MA remains a vocal advocate for a global ban on chemical weapons. Through congressional testimony, coordination with foreign chemical associations and counsel to U.S. negotiators in Geneva, CMA has demonstrated its members' strong opposition to chemical weapons production and use.



Oran Ritter, Ethyl, of Chemical Weapons Work Group.

Further evidence of this resolve is the industry's participation in trial inspections of commercial facilities. On-site inspections are critical to a treaty being negotiated in Geneva, and are part of a U.S.-Soviet Memorandum of Understanding that requires each country to phase out and destroy its chemical weapons stockpile. One result of this effort is that industry and government concerns about disruptions to operations caused by on-site inspections have been minimized. The experience gained through these interactions will help the implementation of a global ban on chemical weapons.

The U.S. government is looking at nonproliferation controls as a step towards eliminating chemical weapons worldwide. Although it strongly supports a global ban, CMA questions the effectiveness of unilateral export controls. Such controls would prohibit the export of certain precursor chemicals, equipment and technology that could be used to make chemical weapons. The controls are targeted at countries believed to be involved in diverting these exports for chemical weapons use.

CMA is concerned with the unilateral nature of the proposed controls. To be effective,

CMA believes the controls should be applied multilaterally because the United States is not the sole supplier of these items. In addition, the licensing requirements mandated by the proposal could put U.S. companies at a competitive disadvantage. Time spent in obtaining licenses could diminish the U.S. industry's reputation as reliable suppliers of these products. These concerns and others were documented in comments filed by CMA on the Administration's proliferation control initiative in April.



William Szkrybalo, Hoffmann-LaRoche, of the Chemical Weapons Work Group.

PRODUCT LIABILITY AND TORT REFORM

MA continues to give liability issues a high priority. Unpredictable and excessive liability awards pose serious problems for the chemical industry as well as for other industries and businesses. Proponents of product liability reform share a common interest in restoring fairness and balance to liability compensation.

This year, proponents of reform will have another opportunity with the reintroduction of the Product Liability Fairness Act. CMA helped to restructure the Product Liability Coordinating Council in an effort to strengthen advocacy in favor of the act. Along with CMA, the council includes the Business Roundtable, the National Association of Manufac-

turers and the U.S. Chamber of Commerce. The council has hired a full-time executive director to provide more aggressive leadership than it had in the past.

CMA's Tort Litigation Group continues to assist the chemical industry in defending liability claims. Member company counsel involved in the defense of toxic torts make up the group, which provides networking and information sharing opportunities.



Spencer Nunley, Mobay, of the Executive Committee General Counsel's Group.

CMA also pursues an active friend-of-the-court program, filing briefs in precedent-setting cases affecting the chemical industry. CMA has been active in attempting to bring good science into the courtroom through witnesses who can substantiate their expertise and their medical opinions. One area of focus has been to determine who can qualify as an expert witness

A multi-industry Policyholder Amicus Coalition, managed by CMA's Office of General Counsel, files amicus briefs in important federal and state cases affecting policyholders attempting to collect insurance for their environmental liabilities.

The American Law Institute is developing a report on liability and compensation issues that is likely to have a significant impact on liability in America. It's likely that the report won't be available until 1992. But because of the report's importance, CMA has been monitoring the institute's progress and commenting on sections key to the chemical industry.

CMA retains its board position on the American Tort Reform Association (ATRA). ATRA is a coalition of more than 400 organizations that focus on public education and enactment of state legislation. In addition to supporting passage of significant state tort reform legislation, CMA is also working to protect gains made in previous legislation.

L to R, Royce Laffitte, Eastman Chemical, and Tom Parker, CMA, members of the Energy Committee.



ENERGY

he threats to the chemical industry's continued access to energy supplies at competitive prices are widespread and significant. Most of these threats surfaced last year in one form or another, such as in acid rain legislation, proposals to mitigate potential global climate change, and proposed energy taxes. The



L to R, Michael Turner, Exxon Chemical, Pat Maisto, BASF, and Thomas Finnigan, Union Carbide, members of the Energy Committee. Persian Gulf War helped focus the nation's attention on energy security issues. For these reasons and because of the increasing role of environmental issues in energy policy debates, energy legislation, regulation and policy will remain paramount industry concerns.

Energy Taxes

Throughout the year, various proposals to tax gasoline, carbon and other energy sources kept CMA tax, energy, and government relations committees busy. Their advocacy focused on the costs to the

U.S. economy and to U.S.-based chemical production that such taxes would impose. The strongest argument proved to be the competitive disadvantage energy taxes would impose on the U.S. chemical industry. Although no new taxes were enacted last year, CMA is gearing up for new challenges this year. The federal budget deficit continues and the war was a reminder of the enormous amount of oil that is imported.

The National Energy Strategy

In February, the Administration announced its National Energy Strategy. The strategy was consistent with many of the messages CMA conveyed to the Energy Department about the chemical industry and its concerns. Those messages emphasized increasing our domestic energy supplies including nuclear energy; the debilitating effect on the industry of unilateral energy taxes; and the industry's economic contributions including a million people employed and a \$16.5 billion trade surplus.

CMA was particularly satisfied that the Energy Department's analysis was compatible with many of CMA's comments on energy efficiency, one of the four major themes of the strategy. The other themes, which CMA also applauds, are expanding energy supplies, respect for the environment, and expanding the role of science and technology on energy affairs. But there are

significant differences of opinion between the Administration and Congress on many of these issues and it may be some time before final legislation is passed. As the process unfolds, CMA will seize opportunities to discuss industry's concerns with the legislators.



cal, members of the

Energy Committee

Global Climate Change

Global climate change issues are receiving greater attention from domestic and international sources. Environmental groups as well as foreign governments are attempting to push the pace of decision-making. The chemical industry is particularly sensitive to decisions reducing energy availability, which could severely damage the competitiveness of U.S.-based chemical production.

Global climate issues, however, extend to all industry. For this reason, most of CMA's advocacy is conducted through the Global Climate Coalition, led by the National Association of Manufacturers.

The coalition and CMA each had nongovernmental status in the first round of international negotiations to produce a convention on global climate change. The periodic negotiations began in February. In 1992, the negotiations will culminate with the United Nations Conference on Environment and Development in Brazil. CMA holds strongly that science must be the basis for policy formulation in the talks. And CMA believes that if governments are going to take action on this issue, multilateral action is the only workable approach.

Natural Gas

This past year, CMA made a conscientious effort to strengthen the effectiveness of its advocacy with the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC). CMA was pleased that both DOE and FERC moved in directions that were consistent with positions CMA had taken on several regulatory issues. CMA will continue to advocate industry's positions on natural gas pipeline regulatory issues.

TAXATION



Richard Overton, Monsanto, of the Tax Policy Committee.

MA successfully lobbied Congress and the Administration in 1990 to obtain tax provisions favorable to the chemical industry in the Omnibus Budget Reconciliation Act of 1991. This landmark legislation, which will provide a net increase in federal taxes of \$137.21 billion over five years, contains these important CMA-supported amendments:

- A four-year extension of Superfund taxes at existing rates. The current tax structure would have expired December 31, 1991. The extension includes chemical and petroleum feedstock taxes and the broad-based Corporate Environmental Tax.
- A 15-month extension through 1991 of the allocation of 64 percent of U.S.-incurred research expenses to U.S. income. Value to the chemical industry \$350 million.
- A 15-month extension through 1991 of the research and experimentation tax credit.
 Value to the chemical industry \$250 million.

Despite the size of this fiscal package, it did not include new energy and environmental tax proposals. President Bush and Congress rejected such proposals, several of which would have increased industry tax costs by as much as \$3 billion annually. Further, CMA believes

the proposals would have undermined the international competitiveness of U.S.-based manufacturing, especially for the chemical industry. The rejected proposals included broad-based (ad valorem or BTU equivalency) energy taxes, carbon taxes, emissions taxes, and virgin materials taxes.

Throughout the year, CMA also presented the chemical industry's views on key problems with income tax regulations.



L to R, Rick Buek, Allied-Signal, and Jim Heinhold, BP Chemicals, members of the Tax Policy Committee.

CMA's most important tax regulatory project came in response to a Department of Treasury study of depreciation in the chemical industry. Currently, chemical equipment may be depreciated over five years while many other industries have a requirement of seven years and longer periods. The Treasury study was scheduled to begin in February 1990.



L to R, Scott
Farmer, Miller & Chevalier, Gareth Glaser,
ARCO Chemical, and
W.D. Buck Menssen,
3M Company, of the
Tax Policy Committee.

CMA successfully persuaded the Treasury Department to postpone its study because of the impact pending clean air legislation may have on industry equipment and processes. The postponement could continue until EPA promulgates regulations to implement the Clean Air Act.

CMA supports the Administration's 1991 proposals to make the research and experimentation tax credit permanent and to extend the allocation of 64 percent of U.S. research expenses to U.S. income. In addition, CMA anticipates proposals for new

energy and environmental taxes to meet the "pay-as-you-go" requirements of the 1990 budget legislation.

State Activities

The fiscal condition of the states continues to worsen. State strategies to balance their budgets include across-the-board cuts, targeted reductions, layoffs, furloughs and salary freezes as well as tax and fee increases. Some of the increases have targeted the chemical industry. CMA has provided background information and lists of technical contacts to state chemical industry councils for use in opposing taxation of SARA Title III emissions.

BUSINESS CONDITIONS

n a year that was tougher economically than anticipated, the U.S. chemical industry showed itself to be remarkably resilient. Iraq's invasion of Kuwait brought an unexpected increase in operating costs. High crude oil prices, coupled with new capacity worldwide and a slowing U.S. economy, made it difficult for manufacturers to pass on price increases. Following four years of tremendous profit growth, the U.S. chemical industry reported profits of \$23.4 billion in 1990, down modestly from 1989's record high of \$24.8 billion.

Despite the drop, however, 1990 was the industry's third most profitable year. A strong profit margin allows the industry to maintain capital expenditures for new plants and equipment. Investments this year totaled \$20.5 billion. And strong profits strengthen research and development, needed to keep the industry competitive internationally. At \$12.7 billion, outlays for research and development were up 9.1 percent from 1989.

Industry sales were also up, although the gain was more moderate than in 1989. At nearly \$286.9 billion, 1990 sales were 3.1 percent higher than 1989 figures.

Shipments rose again for the fifth consecutive year. Considered to be the best indicator of industry activity, 1990 shipments increased by 3.8 percent to \$285.6 billion. Nudging shipments to this new level were increases of 1.1 percent in price and 1.5 percent in production volume.

Item/Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Annua 90/80	Growth 90/85	Rates 90/89
Shipments Billion \$)	168.2	186.9	176.3	189.6	206.0	204.8	205.7	229.5	259.7	275.2	285.6	5.4%	6.9%	3.8%
Production Index 1987=100)	87.8	89.2	81.8	87.5	91.4	91.4	94.6	100.0	105,4	108.5	110.1	2.3%	3.8%	1.5%
Corporation Sales Billion S)	163.2	188.8	186.4	201.3	209.6	202.8	205.8	225.2	261.6	278.3	286.9	5.8%	7.2%	3.1%
Vet Income-After Taxes Billion \$)	11.8	13.0	10.3	11.6	13.9	9.5	12.9	16.6	23.7	24.5	23.4	7.1%	19.6%	-4.7%
Vet Income to Sales %)	7.2%	6.9%	5.5%	5.8%	6.6%	4.7%	6.3%	7.4%	9.0%	8.8%	8.1%	-	-	- Division
otal Assets Billion S)	148.9	171.5	182.0	187.6	193.1	205.3	217.2	244.4	277.6	293.3	324.5	8.1%	9.6%	10.6%
let Income to Assets %)	7.9%	7.6%	5.7%	6.2%	7.2%	4.6%	5.9%	6.8%	8.5%	8.4%	7.2%	17/50 -	-	-
lew Plant & Equipment xpenditures (Billion \$)	10.6	12.0	11.4	11.6	13.5	14.4	14.5	13.9	16.6	18.5	20.5	6.8%	7.4%	11.2%
perating Rate %)	78.7%	78.3%	71.0%	75.4%	78.0%	77.1%	78.9%	82.0%	83.9%	83.4%	81.4%	-	=	-
roducer Price Index 1982=100)	89.0	98,4	100.0	100.3	102.9	103.7	102.6	106.4	116.3	123.0	123.6	3.3%	3.6%	0.5%
otal Employment Thousands)	1107.4	1109.0	1075.1	1042.8	1049.4	1044.1	1021.8	1025.9	1059.0	1073.8	1085.4	-0.2%	0.8%	1.1%
verage Weekly Wage- roduction Workers (\$)	344	379	408	440	464	485	502	523	536	555	575	5.3%	3.5%	3.6%
unds for Research & evelopment (Billion \$)	4.3	5.2	6.2	6.8	7.7	8.3	8.7	9.4	10.6	11.4	12.4	11.3%	8.3%	8.3%
kports tillion S)	20.7	21.2	19.9	20.0	22.8	21.8	22.5	26.0	31.9	37.4	39.0	6.5%	12.3%	4.3%
nports fillion \$)	8.6	9.5	9.5	11.0	13.9	14.7	15.3	15.6	20.3	20.7	22.5	10.1%	8.8%	8.5%
rade Surplus Billion S)	12.1	11.7	10.4	9.0	8.9	7.1	7.2	9.5	11.6	16.6	16.5	3.1%	18.4%	-0.7%

Sources: U.S. Department of Commerce, U.S. Department of Labor, Federal Reserve Board. and National Science Foundation June 5, 1991

Operating rates for both chemicals and U.S. manufacturing were at high levels until the close of the 1980s. As predicted, chemical operating rates declined slightly in 1990 to 81.4 percent. The beginnings of a recession and continued expansion of industry capacity contributed to the 2.0 percent decline.

Meanwhile, a 1.1 percent gain in employment brought the workforce to 1,085,000. Similar gains are expected in 1991.

Four consecutive years of improved U.S. chemical industry trade performance ended in 1990 as imports grew faster (8.5 percent) than exports (4.3 percent). Still, the industry's 1990 positive trade surplus of \$16.5 billion represented its second best year, surpassed only by the 1989 surplus of \$16.6 billion. Chemical industry performance stands in stark contrast to the \$73.1 billion trade deficit incurred by all of U.S. manufacturing in 1990.

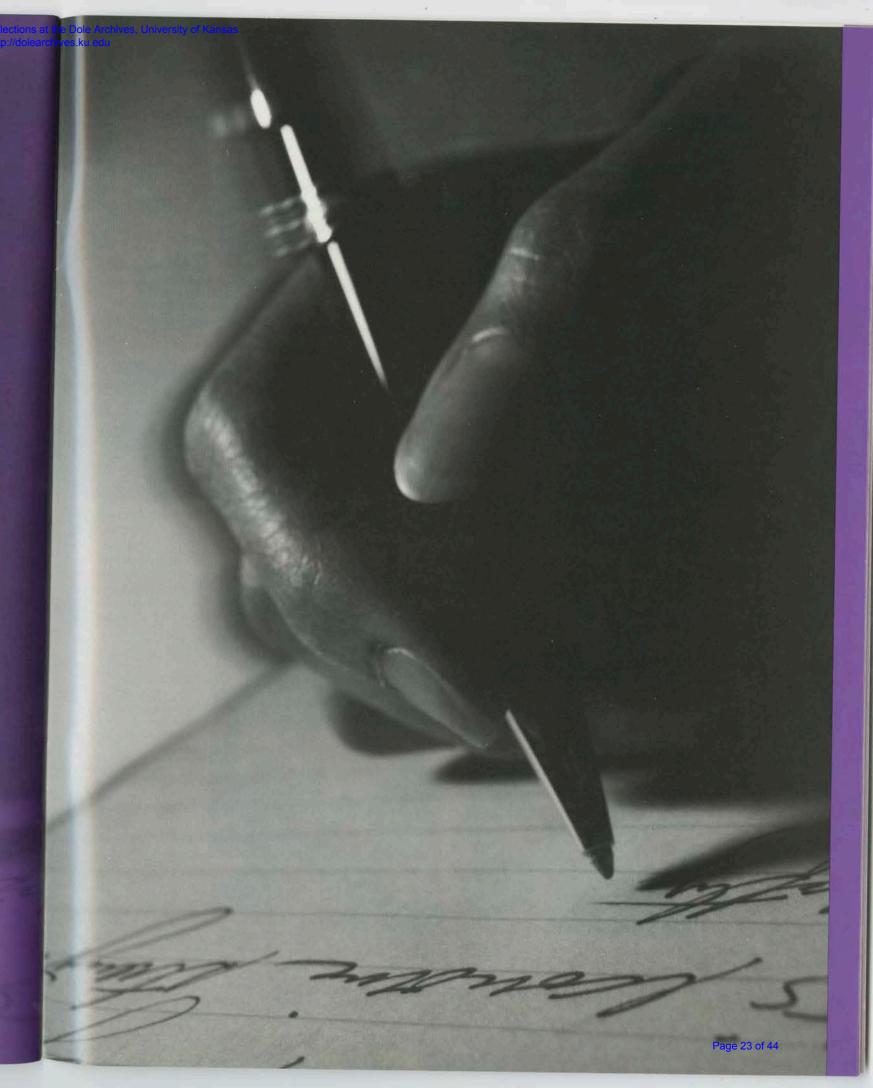
Income in 1990 from direct investments abroad plus royalties, licensing fees, rental, and other service charges should parallel the \$5.1 billion contribution these transactions made to the U.S. international trade accounts in 1989. If so, the surplus should raise the chemical industry's 1990 positive contributions to the nation's international accounts to about \$21 billion.

An item to watch this next year is costs for new pollution controls mandated by the 1990 amendments to the Clean Air Act. Pollution abatement costs for 1989 totaled \$3.4 billion and could hit \$6 billion by 1995.

The long-term outlook suggests that chemical industry growth will continue ahead of the U.S. economy as a whole. That the industry boosted research and development spending despite a recession is one indication. Other factors include a strong international competitive position, continuing product and process innovations, and further growth in U.S. manufacturing. But, as events in the Middle East clearly revealed, the future is not without uncertainties. The dollar exchange rate, the evolving international trade and investment environment, European Community 1992 developments, and repercussions from U.S. environmental regulations on international competitiveness are some of the uncertainties the industry will have to contend with.

A S S O C I A T I O N A C T I O N S

the participation of its members. Nearly 2,000 representatives from approximately 185 chemical companies nationwide travel to CMA regularly. With rolled-up sleeves, they tackle their industry's concerns in work groups, task groups, standing committees and ad hoc assemblies that number almost 900. An active and capable Board of Directors leads these advocacy efforts and builds a strong allegiance among its members.



FEDERATION OF STATE CHEMICAL ASSOCIATIONS

The chemical industry's advocacy efforts at the state level continue to strengthen under the Federation of State Chemical Associations. To date, 18 state chemical associations or councils (CICs) participate in the federation. Sponsored by CMA, the federation is a partnership of CICs with each other and CMA, supported by member companies. It is key to helping the chemical industry position itself as a strong advocate of industry issues at the state level. Indeed, the federation was developed by the CMA Board as part of an overall program to directly address growing state activism.

Mutual assistance among the partnership is what keeps the federation moving forward. CICs help CMA and its members by supporting key industry initiatives, such as Responsible Care®. Information exchange among the CICs helps promote industry efforts to improve its overall performance. Through the federation, CICs can give CMA advance notice of state

initiatives that would adversely affect the industry if spread to other states. CMA supports federation members in a number of ways. Seed money

is available to help CICs become effective advocacy-oriented industry trade associations. CMA has committed \$1,704,000 to

> eight states to assist in deferring their operating costs. CMA also committed more than \$214,000 to eight states to help sponsor 11 separate projects of

Other ways CMA lends assistance is through research, legal and communications activities. A monthly newsletter updates federation

members on key activities in the federation. An annual report recaps the previous year's activities. And an electronic network, SCAN, allows members to access legislative activities in all 50 states. CMA has also developed a communication guide and a grassroots manual, and will develop a toxic release inventory data base for the CICs.

national significance.

This year, CMA is sponsoring an Executive Management Training Program for executive directors and key staff. The two to three day session will cover topics such as, finance, media relations, membership recruitment and retention, and internal association management.

Overseeing federation activities and information exchange is the Federation Advisory Council. Sponsored by CMA, the council provides a forum for sharing solutions to common challenges in advocacy, program development and membership recruitment. The chairman and chief staff executive of each federation CIC participate in the council.

Allan Gardiner, of the New Jersey Chemical Industry Council

As a member of the federation, each CIC has the opportunity to join CMA's Responsible Care® Partnership Program. Efforts are underway to explain the partnership program to federation members. Five CICs currently have partnership status: California, Pennsylvania, Delaware, Illinois and New Jersey.

L to R,Rita Hartmann Monsanto Ralph Loomis CIBA-GEIGY, Graham Jackson, Nalco Chemical and Fred Marshall Exxon Chemical, members of the State Affairs Committee.



John V. Clevenger Truckee Meadows Com munity College Ronald I. Perkins

Greenwich High School **Brock Spencer** Beloit College Jim L Turpin University of Arkansas-Fayetteville

State University of New

Arden P. Zipp

York-Cortland







Ronald I. Perkins

TEACHER AWARDS

MA's Catalyst Awards program annually recognizes exceptional chemistry and chemical engineering educators from the United States and Canada. The 35-yearold program recognizes high school, two-year and four-year college teachers for their excellence as teachers, dedication to science instruction and ability to motivate students to careers in science

Through the Catalyst winners, CMA honors the teaching profession and strives to enhance public appreciation for quality chemical education. Since the program began in 1957, CMA has honored 388 educators.

The CMA program is believed to be the only national chemistry award honoring high school, two-year and four-year college teachers equally, and the only program with a national award exclusively for a two-year college professor in any field.

1991 NATIONAL WINNERS

Charles L Braun Dartmouth College



Brock Spencer



Jim L Turpin



Arden P. Zipp

1991 REGIONAL WINNERS

CMA confers Regional Awards on outstanding high school teachers and two-year college professors. Those recognized this year are:

TWO-YEAR COLLEGE Ronald A. DeLorenzo Middle Georgia College Cochran, GA Sharon K. Kapica County College of Morris Randolph, NJ Jack L Morse Mid Michigan Community College Harrison, MI Danny V. White American River College Sacramento, CA

Sue Anne Berger Bear Creek High School Lakewood, CO Elna M. Clevenger National Cathedral School Washington, DC Michael D. Roadruck Ottawa Hills High School Toledo, OH Sondra F. Wieland Fort Mill High School Fort Mill, SC

HIGH SCHOOL

D. Lynn Johnson.

Eastman Chemical

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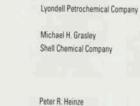












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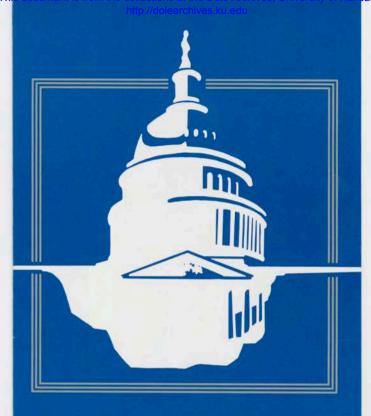












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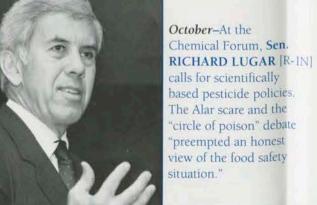
1992 CHEMICAL FORUM



CHEMICAL FORUM SPEAKERS



January-Senate Minority Whip ALAN SIMPSON [R-WY] tells the Chemical Forum that fashioning a national energy policy is high on the 102nd Congress' list of priorities.







May-"Mexico wants to industrialize. We ought to say, 'wonderful'," Sen. PETE DOMENICI [R-NM] says at explaining why he supports a



the Chemical Forum in free trade pact with Mexico.



March-Before addressing the Chemical Forum, Sen. MALCOLM WALLOP [R-WY] chats with John Johnstone, chairman of CMA's Executive Committee and CEO of Olin Corp., about the Bush Administration's National Energy Strategy.



July-At the Chemical Forum, Rep. ROY ROWLAND [D-GA] explains to an intent CMA President Robert Roland how his tort reform bill will address chemical industry concerns.



June-Interstate waste shipments and nonhazardous wastes are two issues that have to be resolved in the debate over reauthorization of the Resource Conservation and Recovery Act, Rep. AL SWIFT [D-WA] tells the Chemical Forum.



February-Speaking at the Chemical Forum, Senate Majority Leader GEORGE MITCHELL [D-ME] calls for reauthorization of the Clean Water Act and Resource Conservation and Recovery Act.

April-Rep. SAM GIBBONS [D-FL] and Jim Murray of Union Carbide Corp. discuss fast-track authority for international trade negotiations during Gibbons' appearance at the Chemical Forum.



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1992 CHEMICAL FORUM

TUESDAY, JANUARY 14

THURSDAY, FEBRUARY 6

TUESDAY, MARCH 3

THURSDAY, APRIL 9

THURSDAY, MAY 7

THURSDAY, JUNE 11

THURSDAY, JULY 9

THURSDAY, SEPTEMBER 10

THURSDAY, OCTOBER 8

THURSDAY, NOVEMBER 12

CHEMICAL FORUM series is held in Washington, D.C. Customarily, the CHEMICAL FORUM begins at noon, with a brief reception, followed immediately by luncheon and program, concluding no later than 2 p.m. Reservations may be made by phoning CMA headquarters.

CHEMICAL FORUM

Mutual understanding between business and Government is an imperative in today's world. Both institutions, working with and motivated by an informed and responsibly represented citizenry, are at the very foundation of the American system.

The dynamic forces of change and growth that are increasingly a part of society have brought accompanying challenges of great magnitude and complexity. Our agenda includes vital questions of economic stability, environmental cooperation, social enhancement and international cooperation. The active participation of the business community in the process of national problem-solving is essential.

Communication is fundamental in this context. An open dialogue between the businessman, the private citizen, and their government has no substitute. The CHEMICAL FORUM was established to enhance that communication—to promote a thoughtful exchange of views between leaders of business and government, to encourage the attention of the public, and to promote enlightened approaches toward our common objectives.



The chemical manufacturing industry is a keystone of U.S. manufacturing and the U.S. economy. Chemicals and allied products contribute some \$290 billion annually to the national output and employ over one million workers in some 12,000 locations in every state in the Union. A strong international competitor, chemicals accounted for \$1 of every \$10 of U.S. exports in 1991, and a \$19.5 billion trade surplus, larger than that of U.S. agriculture. Founded in 1872 as the Manufacturing Chemists Association and renamed the Chemical Manufacturers Association in 1979, CMA is the oldest chemical trade association in the Western Hemisphere. CMA has about 180 U.S. member companies which represent about 90% of this country's basic industrial chemical productive capacity.

CHEMICAL MANUFACTURERS ASSOCIATION

2501 M Street, NW Washington, DC 20037 202/887-1100 Fax 202/887-1237 Telex 89617 (CMA WSH) SENATOR BOB DOLE
TALKING POINTS
CHEMICAL MANUFACTURERS
ASSOCIATION
SEPTEMBER 10, 1992

*THANK YOU. AS YOU KNOW,
CHEMICAL MANUFACTURERS
ARE VERY IMPORTANT PEOPLE
IN THE LIVES OF KANSAS
FARMERS, SO I AM PLEASED TO

HAVE THIS OPPORTUNITY TO MEET WITH YOU.

*BOB ROLAND (CMA
PRESIDENT) ASKED ME TO
SPEAK FOR A FEW MINUTES
THIS AFTERNOON ON THE
POLITICAL OUTLOOK FOR THE
NEXT FEW MONTHS.

*BEFORE I DO, HOWEVER, I
WANT TO TAKE A FEW MINUTES
TO TALK ABOUT A VOTE THAT

TOOK PLACE ON THE SENATE FLOOR THIS MORNING. *AFTER TEN YEARS OF FIGHTING THE AMERICAN TRIAL LAWYERS ASSOCIATION, WE WERE FINALLY ABLE TO GET A FLOOR VOTE ON PRODUCTS LIABILITY REFORM LEGISLATION. *UNFORTUNATELY, WE HAD TO GET 60 VOTES TO SHUT OFF **DEBATE AND MOVE TO A VOTE**

ON THIS MUCH-NEEDED LEGISLATION, AND WE ONLY ENDED UP WITH 57. *BUT WE SUCCEEDED IN PUTTING EVERYONE ON RECORD. AND THE VOTERS CAN NOW LOOK AND SEE WHO STOOD UP FOR COMMON SENSE, AND WHO STOOD UP FOR THE AMERICAN TRIAL LAWYERS ASSOCIATION.

*DON'T GET ME WRONG. I'M
A LAWYER, I'M MARRIED TO A
LAWYER, AND SOME OF MY
BEST FRIENDS ARE LAWYERS,
SO I HAVE NOTHING AGAINST
LAWYERS.

*BUT I DO HAVE SOMETHING
AGAINST A PRODUCTS LIABILITY
SYSTEM WHICH KEEPS NEEDED
PRODUCTS OFF THE MARKET
AND PUTS PEOPLE OUT OF

JOBS.

*I DO HAVE SOMETHING **AGAINST A SYSTEM WHERE DOCTORS WON'T DELIVER** BABIES FOR FEAR OF LAWSUITS, WHERE PARENTS WON'T COACH LITTLE LEAGUE BECAUSE OF THE SAME FEARS, AND WHERE 95% OF THE COST OF CHILD **VACCINES ARE DUE TO LIABILITY** COSTS.

*I HOPE THAT YOU URGE ALL
YOUR MEMBERS TO TAKE A
LOOK AT HOW THEIR SENATORS
VOTED ON THIS ISSUE.

*I KNOW THAT SENATORS

DANFORTH AND KASTEN

HAVEN'T GIVEN UP, AND THEY'LL

BE BACK NEXT YEAR.

*ONE THING I KNOW FOR SURE, HOWEVER, IS THAT IF GOVERNOR CLINTON BECOMES PRESIDENT CLINTON, THEN
THERE WON'T BE ANY
PRODUCTS LIABILITY REFORM,
AND BUSINESSES BETTER GET
READY FOR AN AVALANCHE OF
NEW MANDATES.

*NO DOUBT ABOUT IT, THIS ELECTION IS GOING TO BE TOUGH.

*THE POLLS PUT PRESIDENT
BUSH AT ANYWHERE BETWEEN 5

AND 15 POINTS DOWN. BUT I KEEP TELLING PRESIDENT BUSH NOT TO PAY ANY ATTENTION TO THE POLLS. AFTER ALL, IF THEY WERE RIGHT FOUR YEARS AGO, I'D BE RUNNING FOR MY 2ND TERM AS PRESIDENT THIS YEAR. *EACH CANDIDATE HAS ONE **BIG HURDLE TO OVERCOME** BETWEEN NOW AND NOVEMBER. *PRESIDENT BUSH HAS TO
CONVINCE THE AMERICAN
PEOPLE THAT HE CAN TURN THE
ECONOMY AROUND.

*AND GOVERNOR CLINTON
HAS TO CONVINCE THE
AMERICAN PEOPLE THAT
DESPITE HIS TOTAL
INEXPERIENCE IN FOREIGN
POLICY, AND HIS RECORD OF
DANCING AROUND THE TRUTH,

THAT HE CAN BE TRUSTED IN THE OVAL OFFICE.

*THE #1 WORD IS THIS CAMPAIGN IS "CHANGE."

*YOU CAN'T TURN ON THE
TELEVISION WITHOUT THE
MEDIA TELLING YOU THAT
PEOPLE ARE FED UP WITH THE
STATUS QUO.

*AND NO DOUBT ABOUT IT,
THERE IS A VERY STRONG

"THROW THE RASCALS OUT"
MENTALITY OUT IN THE
HEARTLAND.

*THE IMPORTANT THING IS
THAT THE VOTERS THROW OUT
THE RIGHT RASCALS.

*AND IN MY VIEW, THAT'S THE DEMOCRAT CONGRESS.

*I FIND IT HARD TO BELIEVE
THAT MY DEMOCRAT FRIENDS
CALL THEMSELVES THE PARTY

OF CHANGE WHEN THEY'VE
CONTROLLED THE SENATE FOR
50 OF THE PAST 60 YEARS, AND
THE HOUSE FOR 56 OF THE
PAST 60 YEARS.

*TO PARAPHRASE WINSTON
CHURCHILL, NEVER BEFORE
HAVE SO MANY DONE SO LITTLE
FOR SO LONG.

*IT IS THE DEMOCRAT

CONGRESS THAT HAS STOOD IN

THE WAY OF PRESIDENT BUSH AND IN THE WAY OF CHANGE. *FROM EDUCATION TO HEALTH CARE TO CRIME TO PRODUCTS LIABILITY REFORM, PRESIDENT BUSH HAS PROPOSED CHANGE, AND THE DEMOCRATS SAID NO. *DON'T GET ME WRONG. THEY DO OCCASIONALLY SAY YES. YES TO MORE TAXES, YES TO MORE SPENDING, AND YES
TO MORE MANDATES.

*WELL, I NEED TO GET BACK
ON THE HILL TO KEEP AN EYE
ON THE DEMOCRATS BEFORE
THEY SAY YES TO ANYTHING
ELSE, , SO I'LL STOP HERE TO
TAKE A FEW QUESTIONS.