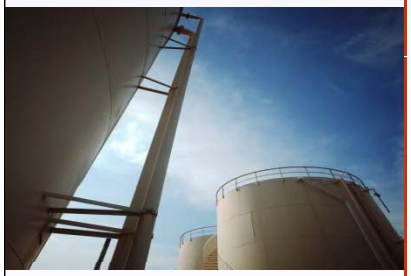
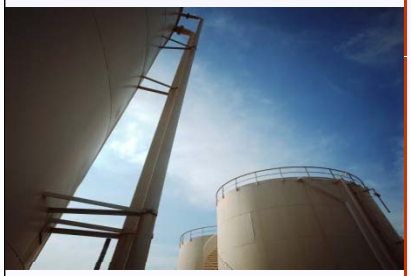


NACD Responsible Distribution Political Action Committee

Mat Brainerd, Government Affairs Committee Chair

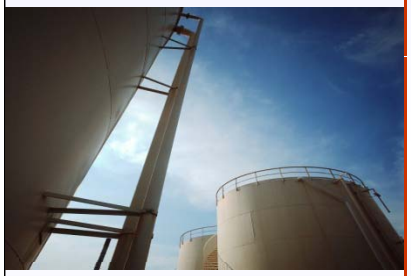
Washington Fly-In

April 29, 2009



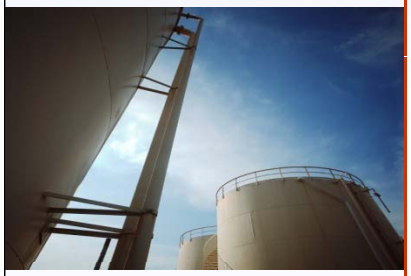
Agenda for Today

- Campaign Finance 101
- Political Action Committee 101
- NACD Responsible Distribution PAC
- Look to the Future

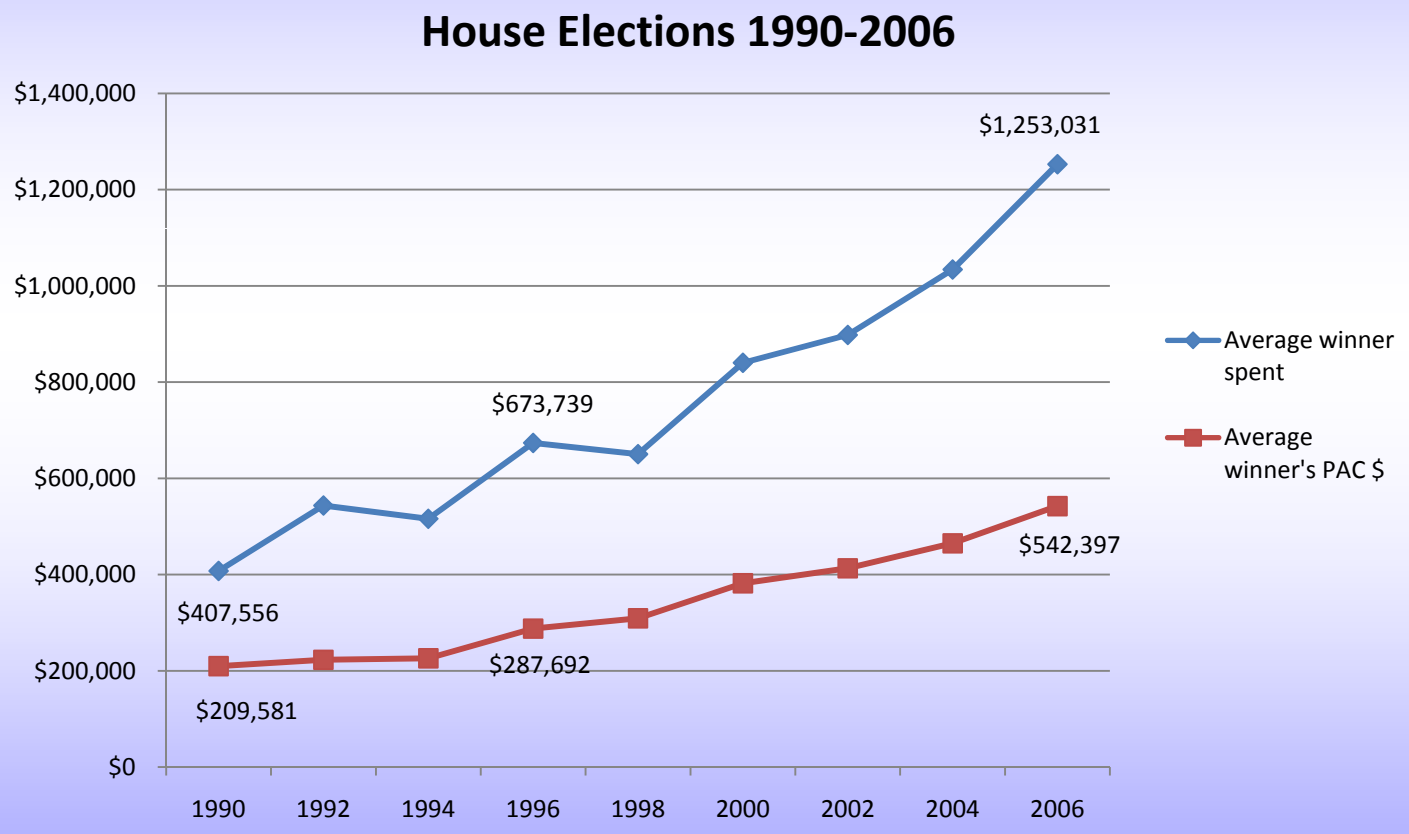


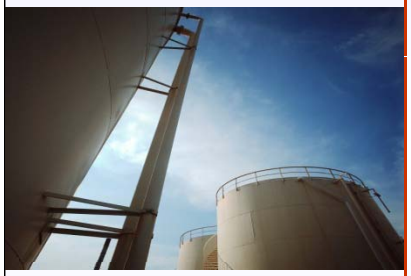
Campaign Finance 101

Despite what some may think, campaigns are *still* about ideas – it just costs a lot more these days to have your ideas heard over those of your opponent.



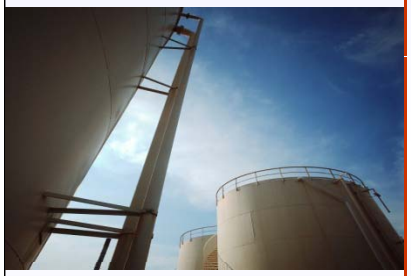
History of Money in Congressional Campaigns





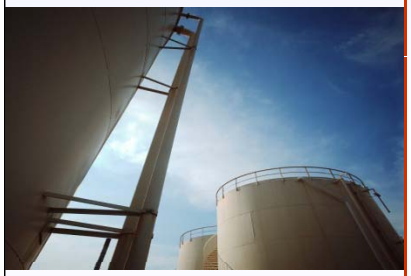
Money in Campaigns
Campaign Finance 101

- Individual U.S. Citizens can contribute up to $2,400 per election per candidate.
- Contributors of more than $200 are publicly disclosed to the Federal Elections Commission.
- **Corporate contributions are illegal**
  - So why do we hear that Exxon-Mobil or the Teamsters contributed so many millions to campaigns?
    - Individual donations from employees or members of an organization made directly to candidates or…
    - Political Action Committees



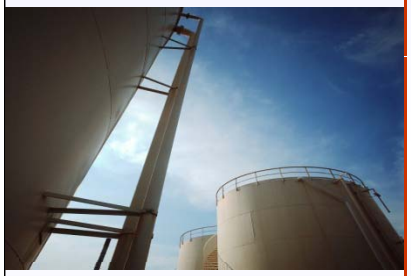
PAC 101 – What is a PAC?

- A “Separate Segregated Fund” or “Political Action Committee” is a political committee organized for the purpose of raising and spending money to elect and defeat candidates.
- Most PACs represent business, labor, or ideological interests.
- PACs can be associated with companies but must have their money separate. Only money donated to a PAC from individuals may be used for political purposes.



PAC 101 - Legal Issues Regarding PAC Money

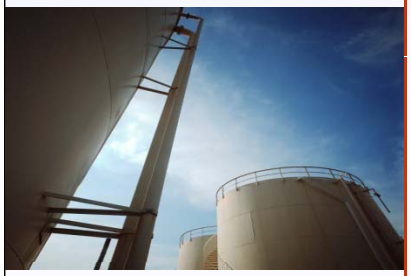
- PACs may receive up to $5,000 from any one individual, PAC, or party committee per year.
- PACs can give $5,000 to a candidate committee per election (primary, general, or special.)
- PACs can also give up to $15,000 annually to any national party committee, and $5,000 annually to any other PAC.



PAC 101- Why Do PACs Work?

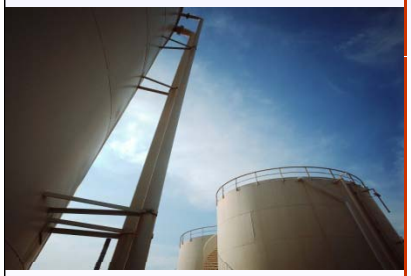
- The ripple effect – when you throw one penny in a pond it makes a small splash and a few ripples. When you throw a bag full of pennies in that pond the splash is exponentially larger and the ripples can turn into waves.

- Aggregating small donations enables a group to make its contributions in a more targeted and efficient manner.



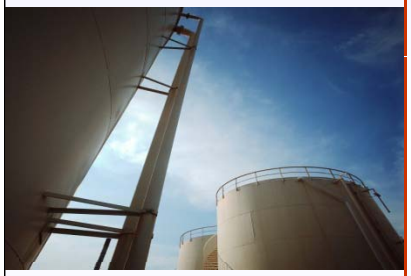
NACD Responsible Distribution PAC

- A voluntary, non-profit political action committee to support federal candidates for office who agree with our positions on issues affecting the chemical distribution industry
- Operated independent of any political party
- Started in 2002
- Raised and contributed approximately $25,000 since 2002
- Raised $0 in 2008



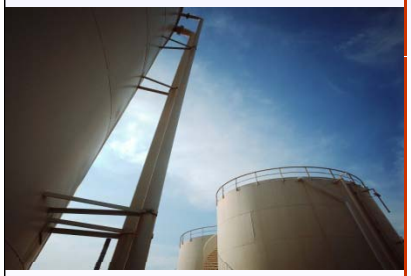
Why Do We Need This PAC?

- The mood of Congress and the White House is very different than the past eight years.
- Campaigns are closer and more expensive than ever.
- Every Campaign Matters!
- The opposition is often contributing more than NACD and its allies.



Legislative and Regulatory Threats to Industry…

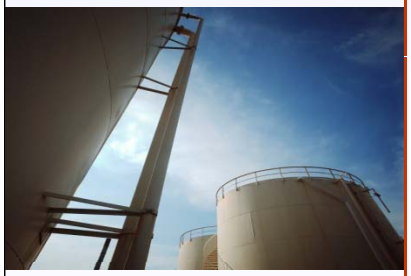
- *Employee Free Choice Act* could force unions on companies.
- *Chemical Security* mandates could force "Inherently Safer Technologies," (IST) such as prohibitions of transporting certain materials on open road or rerouting.
- Environmental Policy threats
  - *TSCA* Reform / EU *REACH*
  - *Climate Change*
  - *Greenhouse Gas Emissions Registry*



Statements of Policy Leaders

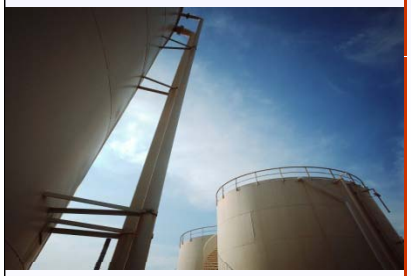
- "The EPA announcement *[regarding GHG endangerment]* confirms what science has told us - global warming pollution poses a grave threat to the nation's public health and welfare. EPA is legally compelled to take action and I commend them for complying with the law." *Henry Waxman, House Energy and Commerce Committee Chair*

- "In essence, TSCA puts the burden on the government to prove a toxic chemical is a risk. That is unlike the European program called REACH. REACH puts the burden on the chemical industry – where it should be – to show that their chemicals are safe." *Barbara Boxer, Senate Environment and Public Works Committee Chair*

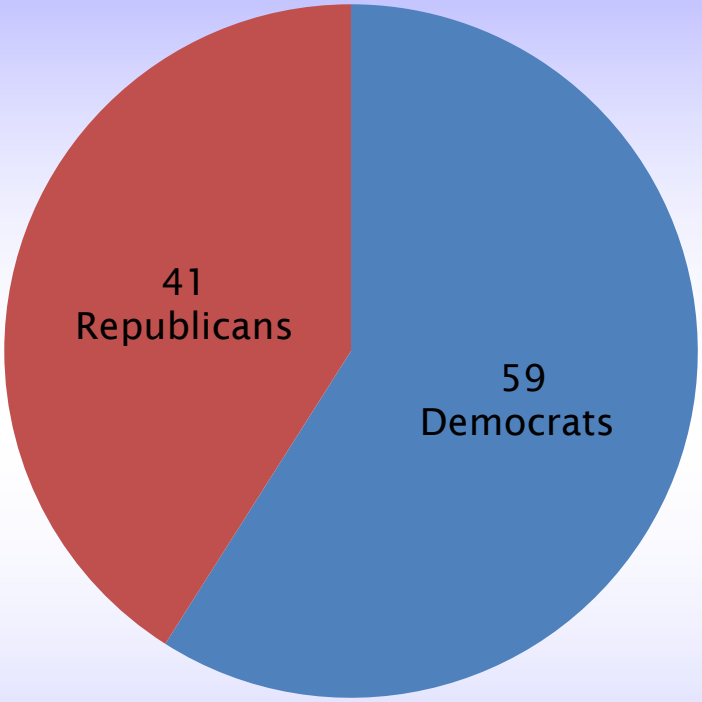


Elections are Closer and More Expensive Than Ever

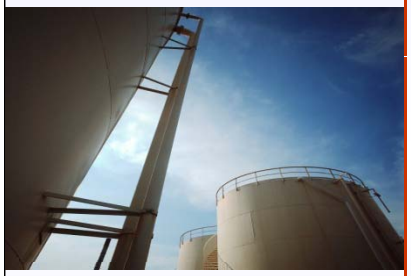
	MN Senate 2008	
	Coleman	**Franken**
Total Money Raised	$23,673,308	$22,502,124
PAC $ raised	$4,092,127	$589,866
Votes received	1,212,206	1,212,431
$ raised / vote cast	$19.53	$18.56
Margin of victory*		225
**This election is still being contested in court.* *Coleman only raised $10.2 million for his 2002 campaign.*		



Every Campaign Matters:
U.S. Senate Balance of Power

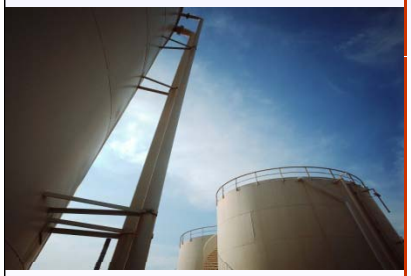


60 votes for one party in the Senate means no checks on the majority's power.



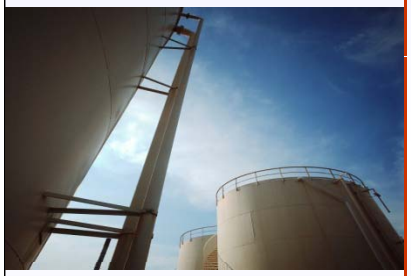
Sample PAC Activity 2008 Elections

PAC	Dollars Raised	Contributed to Candidates	Independent Expenditures
ACC - American Chemistry Council	$ 354,000	$ 280,000	
NPRA - National Petrochemical Refiners Association	$ 82,601	$ 65,000	
NACD Responsible Distribution PAC	$ -	$ 1,000	
Dupont	$ 311,000	$ 217,000	
Dow Chemical	$ 498,006	$ 294,500	
Sierra Club	$ 1,300,000	$ 380,000	$ 897,000
League of Conservation Voters	$ 1,500,000	$ 176,000	$ 751,000



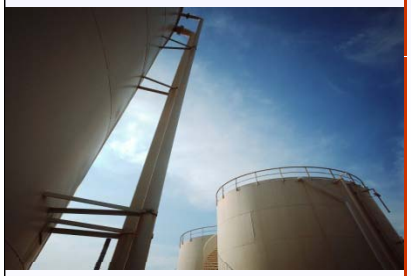
What Have We Done So Far?

- Set up a new PAC Web site
  - Detailed legislative, campaign, and political news
  - On-line contributions are available
- Updated legal documentation
  - Authorization and disclosure forms are available
- Developed strategy plan
  - Fundraising targets for 2010
  - Criterion for distribution of funds
  - Preliminary candidate support list



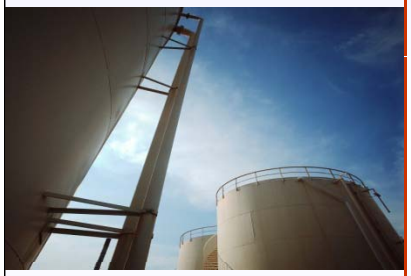
Where Does the Money Go?

- Candidate whose positions support the chemical distribution industry and our issues.
- Incumbent who serves on a key congressional committee that considers legislation affecting the industry.
- Incumbent who holds a leadership position.
- Candidate who needs NACD PAC's financial assistance.
- Candidate who is electable
- **All decisions on campaign donations will be made by a PAC Board made up of NACD members.*



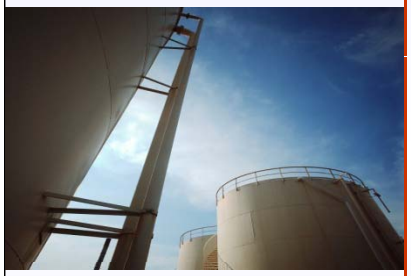
Next Steps

- Talk to other NACD members.
- Talk to your employees.
- Ask questions of NACD staff.
- Submit the “authorization for solicitation form.”



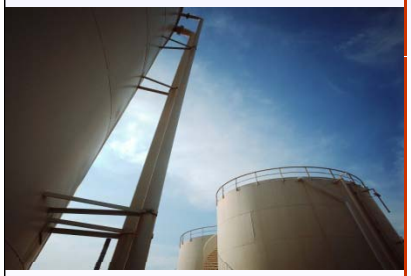
Authorization for Solicitation

- NACD must receive *prior approval* from each company to solicit contributions from individuals in the company and to provide key information about the PAC.
- Chief executive or other key decision-maker in company must sign form.
- Can sign form for your choice of 1 to 5 years.
- Form includes the option for you to prohibit solicitation of other employees or list specific people NACD could solicit.
- Note: *Under Federal Election law, a company may give approval to solicit employees to only one federal PAC per year.*



Remember…

- NACD PAC is an *investment* in your business and your job.
- The return on your investment is a more favorable legislative climate in Washington which equals a better environment for you to do business.



For More Information

- Mat Brainerd – NACD Government Affairs Committee Chairman mat@brainerdchemical.com
- Conrad Schatte – NACD Government Affairs staff, cschatte@nacd.com
- **????? Coming soon – NACD Responsible Distribution PAC Chair**