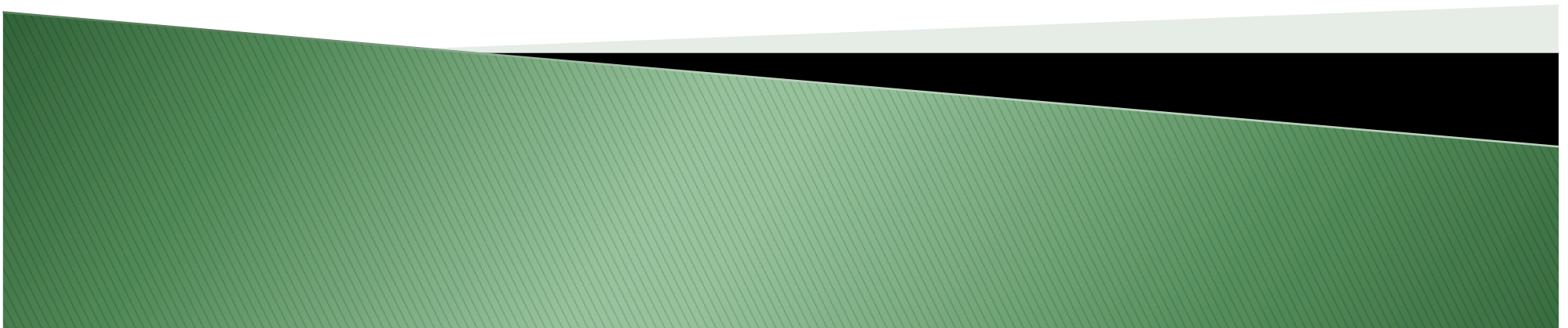


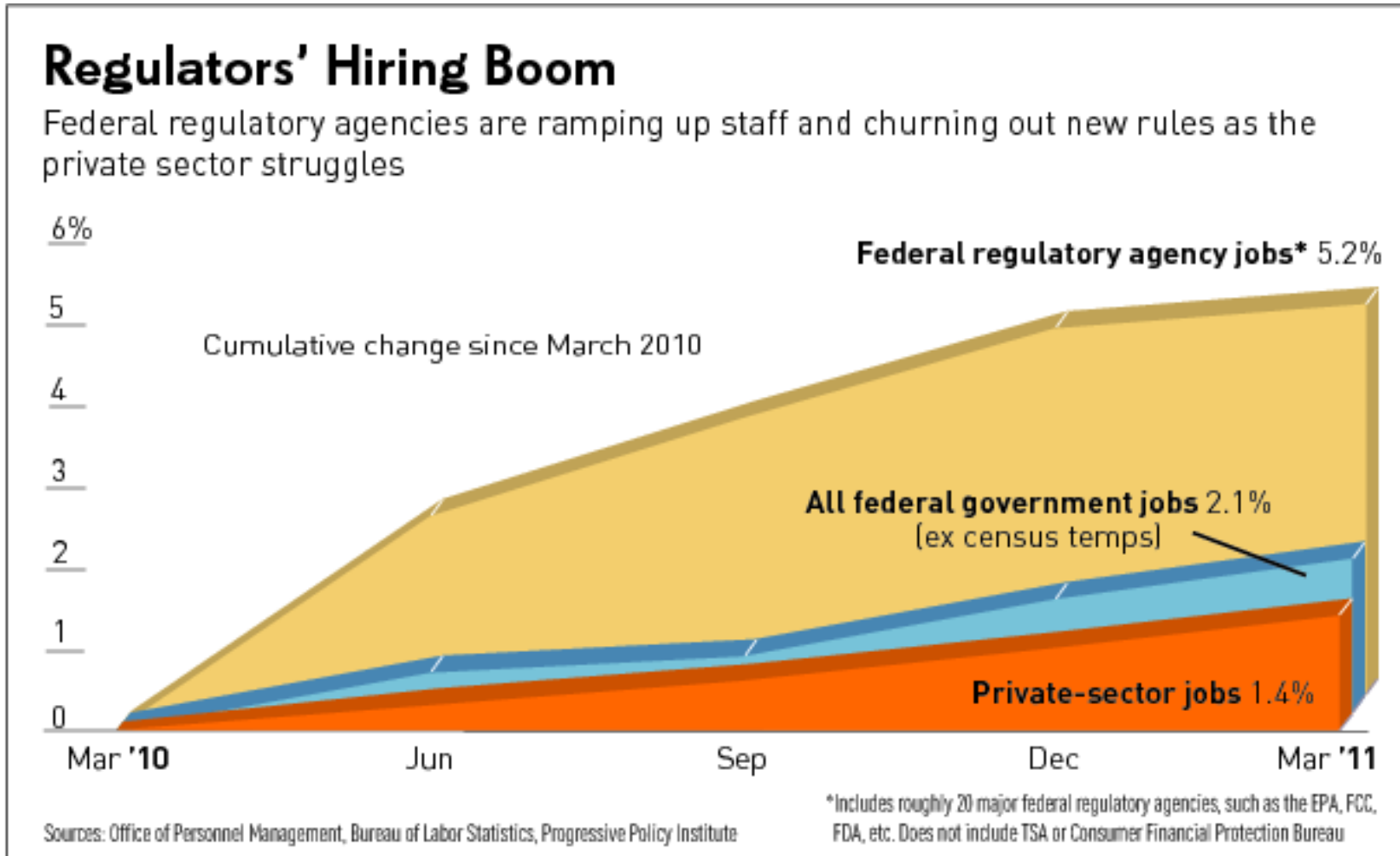
# Government Affairs Update

2012 IIAR Conference

Lowell Randel, IIAR Director of Government Affairs

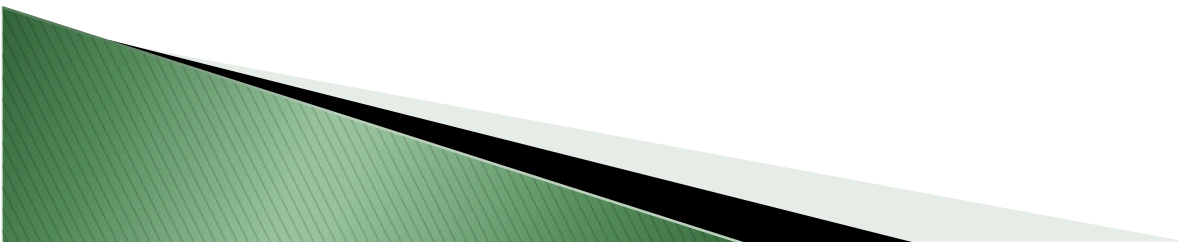


# Regulatory Climate



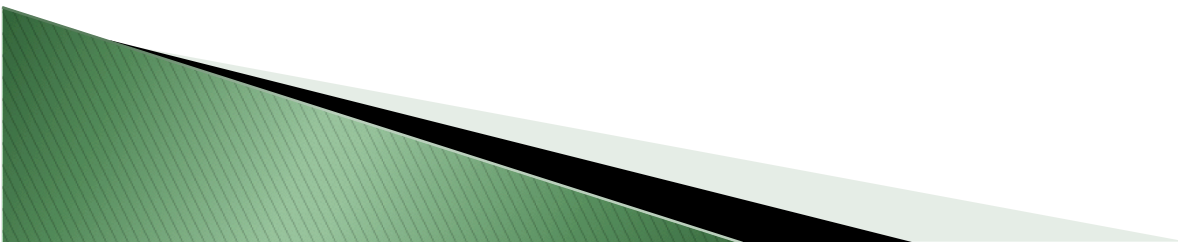
# Regulatory Climate

- ▶ Regulatory budgets grown 16% since '08
  - Total U.S. economy grew only 5%
- ▶ Agency employment up 13%
  - U.S. private sector shrank over 5%
- ▶ More than 4200 new regs in pipeline
- ▶ Estimated cost of regulatory compliance in 2008: \$1.75 trillion
- ▶ Regs cost small businesses more than 36% more per employee to comply



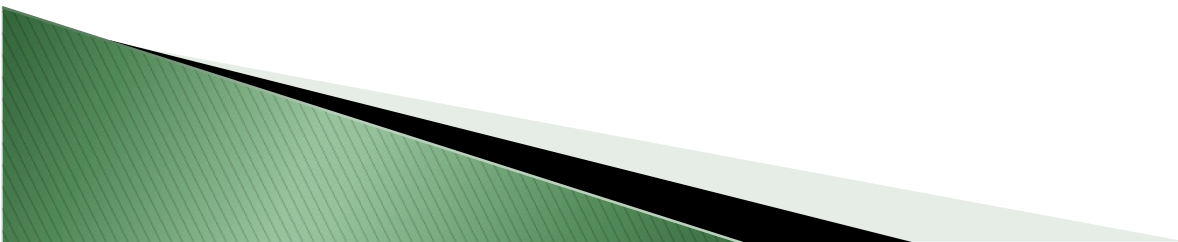
# Regulatory Climate

- ▶ Obama Executive Order 13563: “Improving Regulation and Regulatory Review”
- ▶ Directs agencies to review regulations
- ▶ Results anticipated to streamline “hundreds of regs” and save \$10 billion
- ▶ Memo on impacts to small business
- ▶ However... still seeing increased regulatory enforcement activity across country



# OSHA National Emphasis Program

- ▶ Began November 29, 2011
- ▶ Expansion of pilot program
- ▶ Designed to reduce workplace risks of highly hazardous chemicals
- ▶ Applies to all states (including “state plan states”)
- ▶ Impacts all facilities subject to PSM
  - 10,000 pound threshold for ammonia



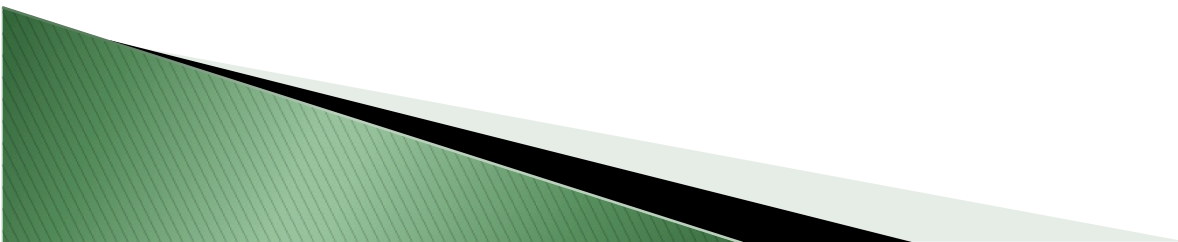
# NEP Process

- ▶ OSHA generating target list of facilities
- ▶ Area offices expected to conduct 3–5 programmed inspections each year
- ▶ Unprogrammed inspections will also follow NEP (result from accident, referral, etc...)
- ▶ Approximately 25% of all inspections will be at ammonia refrigeration facilities
- ▶ Dynamic, unpublished, list of questions
  - For ammonia facilities – 10 questions specific to ammonia, 5 general PSM



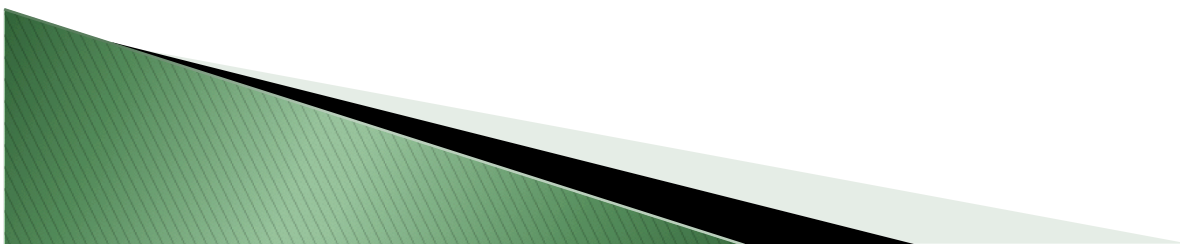
# NEP Process – continued

- ▶ Inspections begin with opening conference
- ▶ Inspectors will ask facility to produce various documents related to PSM plan
- ▶ Facility will be asked to describe its PSM programs



# NEP Process – continued

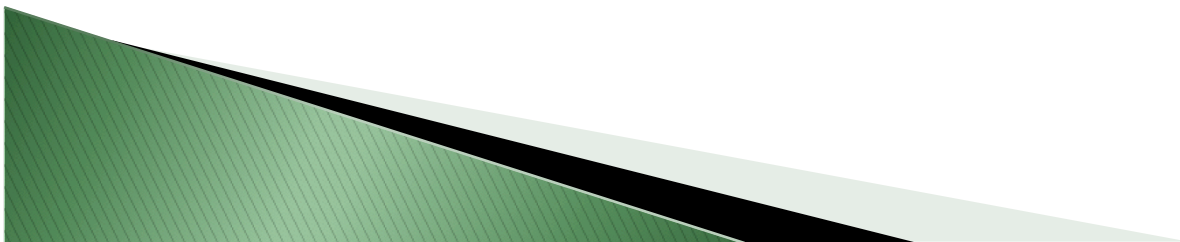
- ▶ Inspectors will conduct a walkaround
- ▶ Inspectors will ask questions from dynamic list
- ▶ Review of inspection history
- ▶ Citations? Expansion of inspection?





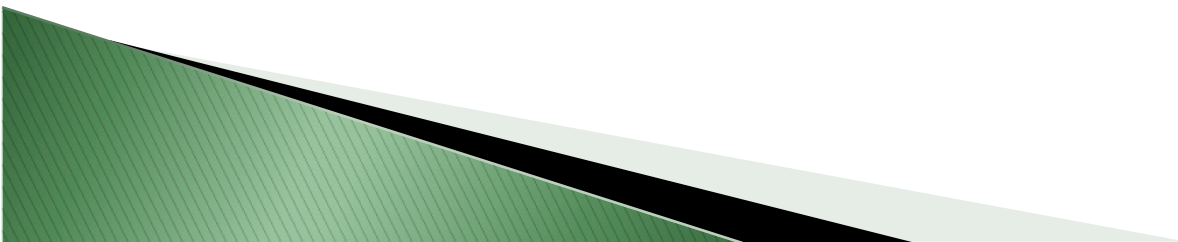
# NEP – Findings from Pilot

- ▶ 229 “opened” inspections – 173 resulted in citations
- ▶ 1,487 total proposed violations
- ▶ \$5,464,553 total proposed penalties
- ▶ Average 8.4 citations per inspection
- ▶ Average fines = \$31,587



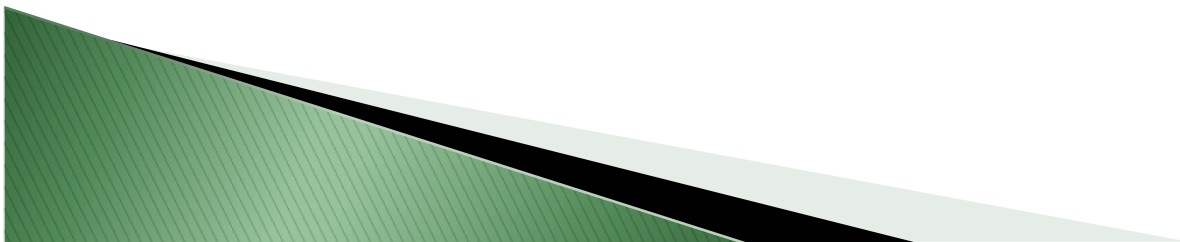
# NEP – Major Standards Cited

- ▶ General Industry (over 90%)
- ▶ Record Keeping
- ▶ General Duty
- ▶ Construction
- ▶ Inspections – abatement verification



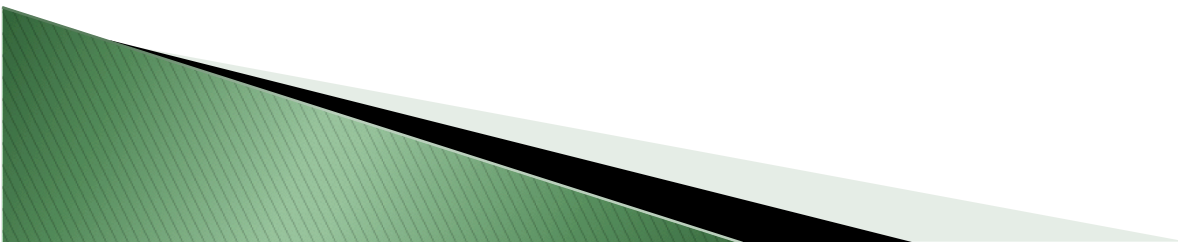
# NEP PSM Elements Most Cited

- ▶ Mechanical Integrity - 23%
- ▶ Process Safety Information - 21%
- ▶ Process Hazard Analysis - 16%
- ▶ Operating Procedures - 14%
- ▶ Remaining 8 elements combined- 26%



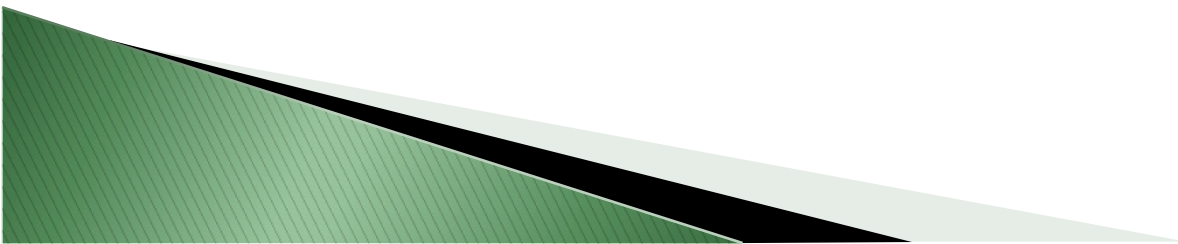
# Frequent Non-PSM Citations

- ▶ Lockout/Tagout
- ▶ Hazardous Waste & Emergency Response
- ▶ Respiratory Protection
- ▶ Record Keeping
- ▶ Guarding Openings



# NEP – Key Takeaways

- ▶ 25% of all inspections at ammonia facilities
- ▶ Be prepared!
- ▶ Review your PSM plans
- ▶ Be ready to demonstrate both documentation and implementation



# OSHA – Other Issues

- ▶ Injury and Illness Prevention Program (I2P2)
  - Requires employers to find and fix potential workplace hazards
  - Regardless of relation to existing OSHA standards
  - Major concern to industry
  - Proposed Rule expected in 2012
- ▶ Permissible Exposure Limits
  - Most not changed since 1970s
  - OSHA concerned some outdated
  - Likely focus on long-term exposure
  - Ammonia not expected to be revisited



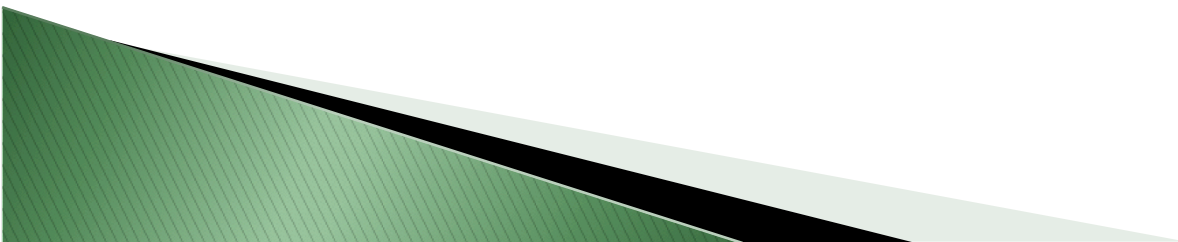
# OSHA Alliance

- ▶ Alliance Agreement signed July 2010



# OSHA Alliance Activities

- ▶ 3 IIAR members on Implementation Team
- ▶ Building relationships in DC, Regions and Areas
  - Ongoing discussions with Enforcement Programs
  - Providing feedback and recommendations on OSHA policies/programs
  - Opportunities for education and training
- ▶ OSHA Participating in IIAR events
  - George Yoksas speaking today

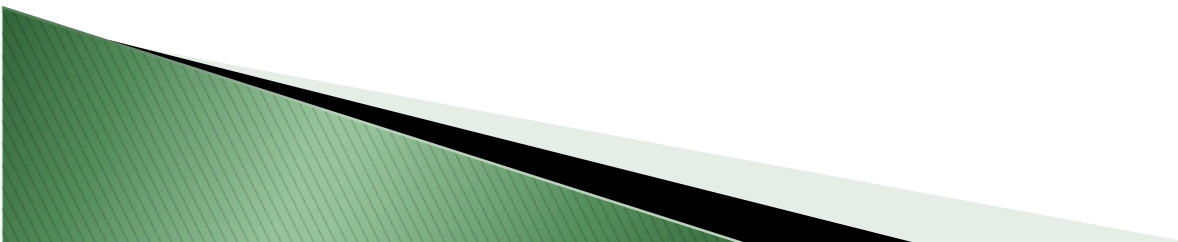




# OSHA Alliance

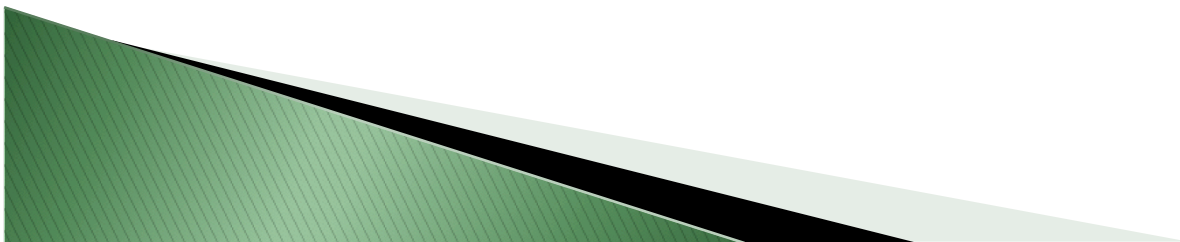
▶ For more information:

- <http://www.gcca.org/programs/gcca-osha-alliance.html>
- <http://www.osha.gov/dcsp/alliances/gcca/gcca.html>



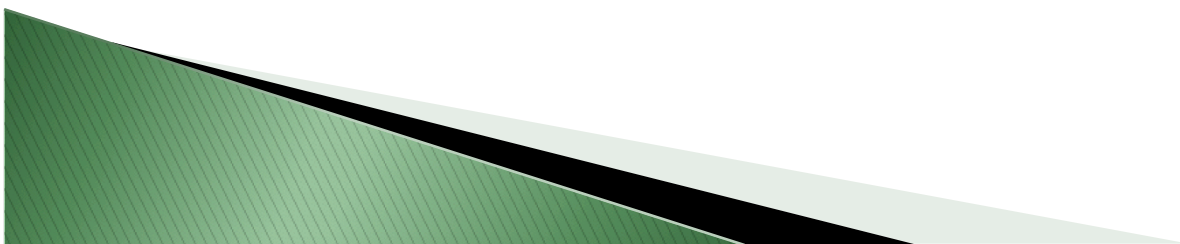
# EPA – Public Access to RMP Database

- ▶ After 9/11, public access to non-Off-site Consequence Analysis data was restricted
- ▶ EPA recently announced intentions to make data public via web
  - Cites resource burdens to process FOIA requests
  - Data posted as early as July 2012
- ▶ IIAR, others expressing concern over proposal



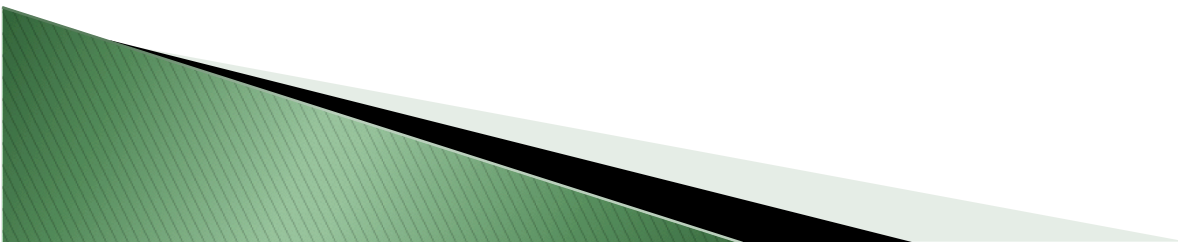
# Chemical Facility Anti-Terrorism Standards (CFATS)

- Program began in 2008
- 10,000 lbs ammonia threshold (total, not just in one process)
- Risk-based performance standards and tiering
- Operating on short term extension of authority
- Congress working on long term extension



# Food Safety Modernization Act

- ▶ Signed into law January 2011
- ▶ FDA beginning implementation
- ▶ Long, complicated process
- ▶ Key Provisions Include:
  - More reporting/planning/traceability requirements
  - Increased inspections
  - Mandatory recalls
  - Increased oversight on imports



# National Labor Relations Board

- ▶ NLRB actively working to change labor policies
- ▶ Controversial recess appointments
- ▶ Using administrative authorities to shorten union election times
- ▶ Revising past case law to restrict employer flexibility
- ▶ New rule will require employers to display poster on unionization rights
  - Effective April 30, 2012



# DISCUSSION / Q&A

