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EXECUTIVE ORDER 13650: MODERNIZATION OF PSM & RMP

President Barack Obama issued Executive Order 13650: Improving Chemical Facility Safety and Security on August 1, 2013 in response to recent industrial accidents relating to the storage and handling of hazardous chemicals, triggered by the ammonia nitrate explosion in a West, TX fertilizer plant that killed 15 people and injured 160 more.

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Summary



President Barack Obama issued Executive Order 13650: Improving Chemical Facility Safety and Security on August 1, 2013 in response to recent industrial accidents relating to the storage and handling of hazardous chemicals, triggered by the ammonia nitrate explosion in a West, TX fertilizer plant that killed 15 people and injured 160 more. Although many programs have been implemented to reduce safety and security risks associated with hazardous chemicals, additional collaboration between regulatory authorities and facility owners and operators is required to minimize the likelihood of future industrial accidents.

Issues

Process Safety Management (PSM) was developed more than 20 years ago and has evolved as the industry has changed throughout the years. It is common to find facilities that have spent considerable amounts of time developing well-intended PSM programs only to discover that they are not being followed in the field. Reflecting back to the Bhopal gas leak tragedy in 1984 all the way up to the ammonia nitrate explosion in West, TX in 2013, industry has been unable to learn from the major incidents that have taken lives and cost billions in damages. Significant changes to industrial safety programs are required to avoid similar events that needlessly take employee lives, damage local economies and compromise environmental health.

Working Group Assigned to Mitigate Risks

The Chemical Facility Safety and Security Working Group was established and tasked to provide a status report to President Obama. The report identified ways in which state regulators, state/local/tribal emergency responders, chemical facility owners and operators, and local tribal communities can work together to mitigate safety and security risks associated with chemical facilities. “The Working Group shall create

comprehensive and integrated standard operating procedures for a unified Federal approach for identifying and responding to risks in chemical facilities (including during pre-inspection, inspection execution, post-inspection, and post-accident investigation activities), incident reporting and response procedures, enforcement, and collection, storage and use of facility information,” President Obama states in the Executive Order.

Working Group Members

Secretary of Homeland Security

Administrator of the
Environmental Protection Agency
(EPA)

Secretary of Labor

Head of Department of Justice

Head of Department of
Agriculture

Head of Department of
Transportation

Shortly after the issuance EO 13650, the Working Group employed the services of the EPA, Department of



Labor, Department of Homeland Security and other appropriate agencies to deploy an initial pilot program to test the effectiveness of interagency collaboration relating to the safety and security within a pilot chemical facility. The pilot program includes “innovative and effective” methods for the collection, storage, and usage of facility information, stakeholder outreach, inspection planning, and joint inspection efforts.

Upon completion of the pilot program, the Working Group consulted with the Chemical Safety Board (CSB) to determine the necessary changes to existing memorandums of understanding (MOU) and analyzed the processes between the EPA and CSB, ATF and CSB, and OSHA and CSB to improve the timeliness and transparency of information. The Working Group received the information collected and provided recommendations to improve collection and sharing between the agencies to assist in the identification of facilities that may be non-compliant with federal safety requirements.

Recommendation: PSM & RMP Modernization

After completing the pilot program and gathering additional information from the chemical community, the EPA and OSHA are in the process of identifying best practices and developing modernized regulations, policies and standards to improve safety and security to prevent future catastrophes. Industry analysts project key deliverables for EO 13650 by Q1 of 2015 but caution that rule changes may take several years to implement. In addition to chemical facilities, upstream, midstream and downstream oil and gas markets should prepare for aggressive

modernization of OSHA’s Process Safety Management (PSM) standard and EPA’s Risk Management Programs (RMP) rule. Transparency of shared information with regulatory agencies is a critical step in improving PSM and RMP in chemical facilities. Understanding real-world risks during the modernization process is critical, and key stakeholders must remain informed of the information collected to ensure informed decisions are made when modernizing safety and security programs.

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