UNITED STATES OF AMERICA

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

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PUBLIC MEETING: MOTIVA ENTERPRISES LLC INVESTIGATION

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Wednesday, August 28, 2002

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The Board met in the Christiana Ballroom of the Wilmington/Christiana Hilton Hotel, 100 Continental Drive, Newark, Delaware, at 9:00 a.m., Carolyn Merritt, Chairman, presiding.

BOARD MEMBERS PRESENT:

Carolyn Merritt Chairman Gerald V. Poje, Ph.D. Member Isadore (Irv) Rosenthal, Ph.D. Andrea Kidd Taylor, Dr., P.H.MSPH Member Member John Bresland Member

Charles Jeffress Chief Operating Officer Christopher Warner General Counsel

INVESTIGATIVE TEAM MEMBERS PRESENT:

Lead Investigator David Heller

Michael Morris Investigator

Don Holmstrom Recommendations Specialist

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P-R-O-C-E-E-D-I-N-G-S

(9:00 a.m.)

CHAIRPERSON MERRITT: Thank you everyone for being here. The meeting will come to order. Welcome to this public meeting of this U.S. Chemical Safety and Hazard Investigation Board, the CSB. I'm Carolyn Merritt and I'm Chairman.

With me today are my fellow Board members, Dr. Andrea Taylor, Dr. Irv Rosenthal, Dr. Gerald Poje, Mr. John Bresland. Also with us this morning is the Agency's Chief Operating Officer, Charles Jeffress and its General Counsel, Christopher Warner and members of the staff.

This is my first public meeting with the CSB as Chairman and it's a privilege for me to be here. John Bresland and I were just confirmed by the U.S. Senate on August 1st. This also marks the Board's first meeting in the State of Delaware. Unfortunately it's a sad event that makes this meeting necessary. As all of you know, on July 17th last year, a serious explosion occurred at the Motiva Oil Refinery in Delaware City.

The explosion occurred as workers with welding and burning equipment were attempting to repair a catwalk above a 415,000 gallon storage tank

of spent sulfuric acid. The sulfuric acid contained hydrocarbon residues from the refining Flammable vapors in the tank ignited and the resulting explosion destroyed the tank and ultimately caused the release of over a million gallons of sulfuric acid. This accident has cast a long shadow. Jeffrey Davis, a boilermaker, who was working above the tank was killed in the explosion. He left behind a grieving widow and five children. Eight other workers were Today we'll not hear about the incident also injured. and about Motiva's -- today we will hear not only about the incident and about Motiva's safety practices, but we'll also learn about a point of significant confusion in federal safety regulations that's pertinent to this event.

finding of an important regulatory hole sets our work apart from other agencies. The CSB was specifically established by Congress to study the chemical safety regulation system of management. The regulations we consider today will, I emphasize how important it is to properly implement and adhere to safety procedures facilities. manufacturing The of cost not implementing effective accident and release prevention programs is very high indeed.

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A severe accident can cause unacceptable consequences, loss of life, impact on the environment, and heavy financial cost to the companies. Companies that are predictive, preventive and proactive can limit such losses. The Chemical Safety Board has the job of investigating after the fact to identify the causes of these losses. Predominantly we find that these accidents could have been avoided if management systems had been more effective.

There has been a tremendous level of interest in this accident nationally but especially within the State of Delaware. The Jeffrey Davis Above-Ground Storage Tank Act passed on June 20th is one measure of this heightened attention to the importance of safety issues. I commend Governor Minner, State Senator McBride, and the Delaware State Legislature for their leadership on this issue and I look forward to ongoing cooperation between the CSB and the state government in helping to make this law as effective as possible.

Present today at the hearing are Senator

Joseph Biden, Congressman Michael Castle and Nicholas

DiPasquale, Secretary of Natural Resources and

Environmental Controls. Also present Brian

Bushweller, State Director for Senator Thomas Carper.

The people of Delaware, I believe, are resolved that there be no repetition of the Motiva accident. Congressman Castle, Governor Minner, Secretary DiPasquale, we of the Chemical Safety Board share your strong resolve. These accidents are avoidable. We hope to count on your enthusiastic support in seeing that our recommendations through to swift action.

Whatever recommendations we do adopt this morning, we will carefully track to completion over the coming months. Industry associations, unions and regulatory agencies have an important role in reducing catastrophic accidents through their oversight and advocacy. The circumstances that caused the accident probably exist elsewhere as we are holding the hearing on these events today. Prudent companies and unions will learn from the Motiva events and take the findings of cause and carefully examine their own sites to see if they can prevent this from happening there.

If they find some lapses, they can take steps to correct the problem now and avoid similar catastrophes. They can save lives, prevent damage to the environment, and protect the financial well-being of their own companies.

Following opening remarks this morning, our format today will be first a presentation by the investigators of the central findings and conclusion on the cause of the Motiva accident. We'll then have an opportunity for Board questions. And then we'll proceed to the staff recommendations and we'll also be followed by Board questions. If time available we will then open the floor to entertain comments, but not questions, from the public and we would ask you to limit your comments to three minutes.

If the Board satisfied, we'll move then to vote and approve the overall report. If approval by the Board of the report, it will be available shortly following on our website which you can look up at www.chemsafety.gov. If you're a member of the public who wishes to offer a verbal comment, please register at the sign-in desk and your name will be called in due course but we reserve the limit -- we reserve the right to limit comments based on time.

With that, I'd recognize other Board members for any brief opening remarks. Dr. Poje?

DR. POJE: Yes, thank you, Carolyn. Thank you for that introduction to today's proceedings. But first I would like to publicly welcome you and John Bresland to the Chemical Safety Board. Prior to your

arrival, the CSB had been absent a chair for more than two and a half years. This month also marks the first time ever that a full five-member Board has met in session. Both actions are major milestones in the evolution of the Chemical Safety Board.

I'm excited about your entry into the agency and thankful for the actions of President Bush to nominate and the U.S. Senate to confirm you to your positions. Modesty denies you the opportunity to present yourselves, so let me.

Carolyn Merritt was most recently the Senior Vice President for Environment, Health and IMC Global, Incorporated in Northbrook, Safety at Illinois. In 1994, she was a senior project manager RMT/Jones with and News, Incorporated, major environmental consulting firm in Houston, Texas. 1988 to 1994, she was with Champion International Corporation, first as a manager of solid and hazardous waste and then as a manager of environment, health and safety.

Mr. John Bresland, a native of Northern Ireland, you'll hear that in his comments, became a U.S. citizen in 1983 and most recently he worked as President of Environment and Safety Risk Assessment, LLC, a New Jersey based process safety consulting

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firm. He has been a consultant with the Center for Chemical Process Safety of the American Institute of Chemical Engineers, and for 34 years worked for Honeywell International formerly Allied Signal, as operations manager, plant manager and director of environmental risk management. We look forward to learning from your experiences and working with you to enhance chemical safety.

Turning to today's session, Motiva's spent sulfuric acid failure, while unique in the annals of the Delaware City Refinery, part of a larger legacy of major tragedies involving tank failures. On January 2nd, 1988, the Ashland Oil Facility outside Pittsburgh, Pennsylvania, failed catastrophically, spilling a tidal wave of millions of gallons of fuel oil over the dikes and into the Greater Ohio River drainage and threatening the water supplies for millions downstream.

On October 16th, 1995, the Pennzoil Refinery in Rouseville, Pennsylvania became engulfed in a major fire and explosion that killed five and caused serious injuries. Parallel to the Motiva incident were deficiencies in vessel design, integrity and maintenance programs, problems in the hot works activity and material containment problems. Assuring

1	the safe management of large storage tanks more
2	important than ever in an era of heightened concerns
3	about chemical safety and security. I'm hopeful that
4	the lessons from this tragedy, if understood and
5	applied, can prevent others. I look forward to the
6	staff presentations and the input and discussions
7	among Board members, recognizing a significant
8	research and analysis of evidence by all involved in
9	today's deliberations. Thank you.
10	CHAIRPERSON MERRITT: Thank you, Dr. Poje.
11	Dr. Taylor?
12	DR. TAYLOR: No other comments other than
13	just to welcome you again, to the Board and to welcome
14	everyone here.
15	CHAIRPERSON MERRITT: Thank you. Dr.
16	Rosenthal?
17	DR. ROSENTHAL: Likewise, welcome aboard,
18	Carolyn and John. Good to have you and looking
19	forward to working with you.
20	CHAIRPERSON MERRITT: Mr. Bresland?
21	MR. BRESLAND: Madam Chair, like you, I'm
22	also a new appointee to the Chemical Safety Board.
23	I'm very honored to have been given this opportunity.
24	This my first public meeting of the Board. I've been
25	working in Washington for approximately three weeks,

1 so I'm not quite an expert yet. I look forward to 2 working with you and the other Board members on this 3 very important issue of improving chemical process 4 safety. 5 CHAIRPERSON MERRITT: Thank you. At this time, I'd like to introduce Senator Joseph Biden. 6 7 a Senator from Delaware. He was elected at age 29 in 1972 and re-elected every six years since then. 8 9 a graduate of the University of Delaware and Syracuse 10 University Law School. Не has long-standing 11 interest in environmental issues. Last month as Chairman of the Judiciary Committee, Subcommittee on 12 13 Crime and Drugs, he held a hearing on whether the 14 Federal Government has the necessary tools to enforce 15 our environmental laws. 16 Senator Biden, we appreciate your 17 appearance with us today and look forward to your 18 statements. 19 SENATOR BIDEN: Madam Chairman, thank you 20 and it was a pleasure to be able to vote for you --21 CHAIRPERSON MERRITT: Thank you. 22 SENATOR BIDEN: -- to become the Chair of 23 this Board which as reflected in the statements of 24 some of your colleagues, -- has always been important

increasingly focused on by the public at large.

but

This whole notion of corporate responsibility that we have seen brought in the sharp relief a consequence of very, very innovative accounting practices and some outright fraud, has had an impact, I think, in ways that are good and bad, but good in the sense there's a heightened awareness, I think, on the part of the vast majority of corporate managers as to what their overall responsibility are decent honorable people who are trying to do the right thing by and large and quite frankly, I have a feeling that your Board going to be busier than not. And I would suggest as a very brief prelude to my statement, Nick DiPasquale who has been in charge in the State of Delaware here, has been -- and by the way incredibly helpful to me and I'm sure to Congressman Castle and to Senator Carper as legislators, in the state another incident unrelated to your jurisdiction.

I was on site at a large chemical complex, a series of complexes and Mr. DiPasquale pointed out that one of the problems that we all face as a nation the infrastructure of many of these operations here are very old and very under-maintained. And we see in the absence of a Superfund fund being in existence, we see in sharp relief, not only the financial consequences of that but the health consequences and I

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remember -- I don't want to get him in trouble but I remember Nick saying to me that there's a lot more than meets the eye out there and a lot of managers of chemical as well as other industrial complexes find themselves with all the mergers that have occurred, inheriting and owning facilities that are not quite up to snuff as what they thought they were with significant capital cost to bring them up to speed, up to the safety standards that are necessary. So I say that as a prelude to suggesting that I think, to state the obvious, your work extremely important. believe it's going to become more and more critical. I believe your work load going to increase, not diminish and the combination of what -- and I want to make it clear, I am not going to comment today on culpability.

I must say, as a citizen, not as a chemist or safety expert, reading your report and other reports from the state, there seems to be -- it would be easy to draw conclusions that may not be warranted without my fully being aware of the quote "other arguments", but it's not my function here to do that. My function, as I see it, to determine whether or not there anything in a positive sense that the United States Government, the United States Senate,

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the United States House of Representatives, the President can do that will enhance your ability to safer and draw clearer brighter lines there's less -- reasonable lines so there's less confusion, if there confusion, within the industry about what their responsibilities are, because as you have noted already, and we are fully aware, Mary and her children, four of her children are in the back here, the by-product, the terrible human tragedy that occurs as a consequence of whomever responsible for what happened, the loss of a father, the loss of a husband, the loss of a decent honorable man and a family left to deal with that in the aftermath.

Many of us, in our personal experiences, know what that like under different circumstances and the Board disbands, when this gone, Mary still has five children and everything there still a serious, serious, serious hole in their lives, emotionally, physically and financially. so, I know how seriously you take your charge and just want to make it clear that there are those of us don't speak for any other and senator congressman, but I think you'll find that we're all in very strong support of your vigorous oversight here and us needing to be told what you need, what you need

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Jeffress an experienced hand. Не knows his way around and he knows sometimes that administratively it takes а lot longer get something done than it may be if it gets nudged legislatively and so that's -- I'm not here to tell you what to do. I'm here in part to tell you what I think I should be doing to be positive and I know it's not appropriate necessarily for you to comment on that now, but I would welcome, you know, constructive input as to whether or not you think what I'm suggesting makes sense or doesn't make sense.

I have the -- I have the good fortune of having had the number 2 person at EPA, Carol Browner and then the acting director of EPA as a former staffer and an advisor to me know, Mr. McCabe, Michael McCabe. I've tried my best to take this as seriously as possible but we would encourage your input if you have any recommendations for what we shouldn't do. There's an old bad joke, you know. I'm here from the Federal Government, I'm here to help you, you know, what I mean. We don't always help even though we intend to help.

Now, let me very briefly again, express my deepest sympathies to Mary and to her children and I

know that none of what's going to happen here going to make things right. I understand that. We all understand that and I wish there was something that would happen. The only thing I can tell you from experience, in time, in time the loss never -- the pain goes away, the pain goes away.

Now, I'd also like to express my concern for the continued health problems suffered by eight workers injured in the tank explosion as well as my admiration, quite frankly, as you have observed for the heroism they showed in risking their lives during this incident. We showed it's not just fire persons and policemen and others who engage in heroic acts. It's ordinary people taking care of their mates, trying to figure out how to do the right thing, and they were heroic.

I also want to thank all of you members of the Board for coming here this morning and convening the entire panel here. It's important to us and we appreciate it. We understand that it's substantively important but the gesture equally as important to us.

Now, I've read the report, Madam Chair, and quite frankly, I was deeply troubled by the Board's finding. I was particularly disturbed with the report's conclusion that Motiva's own engineers

repeatedly recommended internal inspection of Tank 393 as far back as 1996. In 1999, 2000 and 2001 these engineers recommended an internal inspection be done, quote, "as soon as possible", according to your report. What's worse, just three weeks before the tank exploded a Motiva operator submitted quote, "an unsafe condition", end of quote, report to his bosses, yet no repairs were made, none, none.

In spite of these reports, Motiva did nothing even though Tank 393 was emptied three times prior to the explosion, the last time just three months before Jeffrey Davis killed his was and colleagues were injured. Most of the recommendations being made by the Board relate to things Motiva itself can do to prevent future tragedies. I call fully completely Motiva's management to those recommendations as soon as possible. As far as I'm concerned, these recommendations, these policies, procedures and practices are so basic that they should have been in place long before 2001 and I say that not as an expert but just has hopefully a mildly informed citizen reading a report and understanding a little bit of the background.

We've heard a lot lately about corporate responsibility as it relates to accounting practices.

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But management responsibility and corporate responsibility goes much further than just to the bottom line in the corporation and whether or not investors are being told the truth which obviously critically important. It also extends to insuring that employees and the public are free from the threat of physical harm on the job or in the neighborhood and we should expect nothing less.

July 17th, 2001 I've received Since through my staff, regular updates from both OSHA and from EPA. And I want to thank them both publicly for their responsiveness and their availability, to their investigations ongoing into the explosion which occurred in Tank 393. Although OSHA and EPA have brought to my attention many issues surrounding the the Chemical Safety Board's events of that day, it work which really brings all of this together. Tn light of the Board's report, I've instructed my staff to do two things; first, to determine whether or not OSHA safety standards can be expanded to include not only sulfuric acid, the substance at issue here in this incident, but any other chemical compounds that can result in similar catastrophic events.

Mr. Jeffress knows better than anyone that it was an administrative ruling and quite frankly, I,

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as years ago when I used to be on the committee overseeing the EPA and OSHA, I thought, quite frankly, this chemical was covered. I was unaware, to be honest with you, that it was not covered and it was an administrative ruling judge made a judgement that it was not covered.

Well, rather than just go back and deal with your recommendation of making sure it's covered and that can be done administratively but as Charles will tell you, it could take a couple of years that route, we want -- I personally, and I don't know about Congressman Castle, but I'd like to see this moved But in the process, I'd also like to more rapidly. seek the expertise of the committee in question to determine whether or not there are other substances. I am not an engineer, I am not a chemist, but are substances that reasonably should there other covered, that OSHA has the ability to inspect for and And so my staff has that effort underway regarding. with the appropriate committee staff and experts in the Senate will personally, and Ι with permission, we have a letter draft for you asking for any additional recommendation you may have of what we should and should not do relative to additional chemicals if there are any. I'm not looking to over-

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regulate anything, but I'm looking to make sure that there a rational basis for what OSHA can look at and to.

Let me explain briefly. As I read the current regulations, the compound involved in this incident, sulfuric acid, OSHA's not on list of covered chemicals. OSHA defines а catastrophic release as, "A major uncontrolled emission, fire or explosion, involving one or more highly hazardous chemicals that presents a danger to employees in the workplace", end of quote. I think the Motiva explosion qualifies as a catastrophic release and yet, let me repeat, the compound involved in this incident not on OSHA's list to be covered by -- list of covered chemicals.

And we need to, I think, make sure it and explore whether there's anything else being left out that should be included in my view. Secondly, I've staff to look at instructed my how the Federal help, if it can help, if it's Government can beneficial, and I personally think it may be, to states implementing regulatory control over aboveground storage tanks, similar to what Delaware has just done this past June. If this means that the best way to prevent these disasters in the future through

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national legislation, making sure that there a uniform code, if you will, nationwide, then I will introduce it. Among other things, Delaware's Jeffrey Davis Above-Ground Storage Tank Act requires the registration, inspection and monitoring of storage tanks with a capacity of more than 12,499 gallons. Currently the EPA only regulates above-ground tanks that contain oil. And less than half the states have any regulations similar to the one that exists in Delaware.

know my business Delaware, mУ business and our business also the national safety, the safety of all Americans, and the question that I'm asking for the appropriate committee to investigate whether or not there should be a national standard relative to above-ground storage tanks like Delaware has, as you so accurately pointed out, Madam Chair, expeditiously adopted. The Board's report says the Motiva put off inspecting Tank 393 in order to comply with EPA's order to inspect 18 oil tanks this despite the fact that Tank 393 property, apparently had serious defects that needed to addressed, including the holes on top of the tanks and things that were obvious to even a layman's eye had they been in a position to walk around and on top of

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prevent situations Wе need to where corporate managers put off inspections and repairs of tanks not subject to regulation even though they present serious risk in order to comply existing laws that cover only some tanks. That to me not an excuse to say the law required me to look at these tanks and that was a regulation; it didn't require me to look at these tanks in the same way, so I put off looking at these tanks.

I don't find that as a rational excuse. Let me conclude by saying corporate responsibility does not end with the filing of financial disclosure. Corporations have a responsibility to repeat myself, to keep their workers and the public safe. And I want to thank the Board again for being here today, for doing such a thorough job, for allowing us to speak and I hope that -- and I can't believe they won't -- that Motiva does the right thing and fully implements that Board's recommendation.

The fact of the matter that I think that we are going to find ourselves, as a consequence of an aging infrastructure, as a consequence of increasingly difficult problems relating to the confusion that exists as a consequence of vast mergers, as a

consequence of the international holdings that exist
in many of the chemical and oil industry and
companies, I think we're going to find managers very
strapped because they're going to have fewer
resources, greater infrastructure costs relating to
repairs and maintenance of existing facilities, I
think your work going to be your workload going
to increase and I will say one thing to Mary and her
children. There never any, any, anything that can
rationally explain the loss of your dad and your
husband, but the one legacy he may leave, this comes
at a moment when the entire country beginning to wake
up to the need to increase safety relating to
everything from toxic waste sites to hazardous
circumstances that need inspection within an industry
that increasingly in a position of facing stiff
competition with less resources and maybe, maybe,
maybe this will be a catalyst for us to begin to
change including the industry on its own, to change
the intensity of their notion of what's required to
maintain existing facilities as they are involved in
significant international competition.

But, again, I thank you for your work. I thank you for being here and I truly appreciate the opportunity of being able to address you. Thank you.

CHAIRPERSON MERRITT: Thank you very much for your comments and we look forward to working with your staff on these very important issues. And also, I wasn't able to be introduced to Mary Davis before we started. I'd like to thank you for being here and offer our condolences to your family and to yourself on the loss of your husband and father from the Board. this time I'd like to introduce Castle. Castle Congressman Congressman distinguished career in public service. He has been a congressman from Delaware for the past 10 years. Prior to that, he was member of the Delaware House and Senate and in 1980 he was elected Lieutenant Governor and in 1984 Governor. He was re-elected in 1988. Governor, he developed an environmental legacy program to address environmental issues in the 1980's. Congressman Castle, thank you for coming this morning and I know that you have a continuing interest in the incidents that we are considering today. Please proceed with your statement. CONGRESSMAN CASTLE: Thank you, Madam I'd like to thank the Chemical Safety Board for being here and for all your interest in this matter.

The explosion of Tank 393 at Motiva on

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July 17th claimed the life of one man, Jeffrey Davis and I, too, extend my great sympathy to the family of Jeffrey Davis, seriously injured eight others and created an unimaginable environmental degradation of a Delaware city area. But fortunately, this facility has had a history of serious safety and environmental infractions and only tough measures will produce good results.

This was a preventable accident which occurred in large part because of lax corporate safety standards. Motiva was not adequately setting or enforcing maintenance and safety rules at its facility before this accident occurred. Since then, Motiva has been trying to deflect the blame. But when it comes to the bottom line, these excuses do not hold water. A man died and others were injured because of poor corporate performance and critical safety issues.

After the tragic accident last year, the U.S. Chemical Safety and Hazards Investigation Board, a federal agency for which I strongly support an increase in funding and its involvement in this case, was called in to investigate the causes and make recommendations for change. The Board does not have regulatory authority, only the power to investigate and power to recommend. CSB's findings are a strong

indictment of Motiva's overall management of this facility's chemical maintenance and safety. I would like to comment briefly on some of these findings to make the case that Motiva should have done more to prevent the accident and must do much more to prevent future accidents.

I have read the CSB's report and the response prepared by Motiva. In summary, Motiva's assertions it adhering to that general industry quidelines on tank safety and maintenance are unconvincing. The accident did not happen because a particular contract welding crew did not follow basic safety procedures as Motiva would have us believe. It was an accident waiting to happen because the tank facility was not being adequately maintained the and larger safety and maintenance plan inadequate.

While Motiva's response focuses on some of the safety steps that must be taken by its contract crews working around the tanks. I think Motiva continues to miss the overall point that the CSB makes and that Motiva's overall safety and maintenance plan and execution for this facility inadequate. It clear that Motiva has a history of non-compliance with federal environmental laws and regulations at its

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refinery. The overall condition of the facility makes spills and accidents more possible and more of a danger.

Let me give you some examples. First, Motiva should have done more to detect problems with As you will learn, after the tanks leaked the tanks. and were reportedly repaired, Motiva had three opportunities to conduct an internal inspection of these tanks, which they did not do. In fact, the inspection of Tank 393 was put off until January 2002, six months after the accident which claimed the life of Jeffrey Davis and injured eight others.

Second, Motiva should have sought outside expert help to improve the safety of the tanks. Motiva missed an opportunity to bring in experts to help design the safety systems for the tank when it was converted to at tank that would hold a more flammable substance, spent sulfuric acid. These experts could have designed tank systems that would have not leaked flammable vapors.

Third, Motiva should have done more to warn the welding crew about the potential danger of the work on the tank. An opportunity to warn Jeffrey Davis and the welding crew in the work -- in the work permit about the presence of highly flammable vapors

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in the area was missed, despite the fact the two previous work permits were rejected by other welders in the week before the accident due to concerns about welding near flammable gas.

Finally, Motiva apparently ignored warnings it had about the tank from other workers. An opportunity was missed when an employee wrote, an "Unsafe Conditions Report", about the tank when he refused to weld near it. Yet, his report did not lead to safety improvements for the tank.

As I said, earlier, the industrial area near Delaware City has been the victim of various environmental tragedies. In fact, something very similar occurred when I was governor in terms of chemical leaks at Formosa Plastics. As a result we shut them down in October of 1985 and one year later they came back and now are achieving lower emission levels than both state and federal level requirements and have proven themselves a good corporate citizen.

This a clear example of how tough regulations produce acceptable results. We will soon hear about the recommendations form the Chemical Safety Board about what needs to be done. But I would like to share some of my own remedies with you. For all the reasons I cited above, I believe that changes

do need to be made at Motiva. First, there must be a new corporate commitment to working through the existing problems and preventing future ones. Motiva must stop hiding behind its corporate veil and take responsibility for safety measures.

Motiva one of the largest refiners and distributors of oil and gasoline in the country. It owned by two of the largest oil companies in the world, Shell Oil and Aramco. There are not excuses. Aramco and Shell are big corporations which absolutely have top notch safety precautions in place.

Two, Motiva and their parent companies must admit to and correct their existing problems and work together with the community to correct and flaws.

DNREC and the EPA cannot be full time police officers. Motiva, Aramco and Shell must take more responsibility and improve Motiva's performance.

EPA should its civil Three, pursue litigation on Motiva's violation of federal pollution laws to a logical end, which may result in restitution and fines but also hopefully will result in determining a future course of action to prevent this from happening again. Motiva should cooperate with DNREC at all times to fully disclose what happening at Motiva to make Motiva a good corporate neighbor to

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the people of Delaware. This means keeping the community and local, state and federal leaders apprised of what going on with the plan in terms of inspections, tank repairs, et cetera.

And fifth and finally, if Motiva unable or unwilling to remedy their problems, DNREC and the EPA must take whatever steps are necessary to obtain all safety and environmental compliance. As I lay out my thoughts, I want all of you to know that it not my intention to judge the activities of Motiva harshly or unfairly, but through my reading and my history with the state and involvement with this facility, I believe they are warranted.

The remedies Ι have proposed will hopefully help Motiva resolve its problems and that exactly what my comments aim to do, help Motiva become a better corporate citizen and employer in our state. The future up to Motive and they hold it solely in Finally, I'd like to thank the Chemical their hands. Safety Board for coming to Delaware today to share their recommendations and findings with all of us. The Delaware community greatly appreciates your effort insure worker safety and the safety of environment and the public at large.

CHAIRPERSON MERRITT: Thank you,

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Congressman Castle, for your comments and your support. At this time, I'd like to introduce Nicholas DiPasquale, Secretary of Delaware's Department Natural Resources and Environmental Control. Mr. DiPasquale Secretary of the Delaware Department of Natural Resources and Environmental Control and he has served as Secretary since April of 1999.

He was appointed by former Governor Thomas Carper and reappointed by the current Governor Ruth Ann Minner. He has served for the past 15 years in management positions with responsibility for the administration of federally delegated environmental programs dealing with the regulation of air, water, pollution, waste management and hazardous substance cleanup both in Delaware and in Missouri. Secretary DiPasquale, we welcome you and look forward to your comments.

SECRETARY DiPASQUALE: Thank you, Madam Chair and I appreciate the opportunity to provide comments on the Chemical Safety Board report. I'll try not to be duplicative and there a few points that I want to try to elaborate on hopefully to the benefit of the Board.

And you've pointed out, I've been serving as Secretary since April of 1999 and I have served in

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senior management positions in environmental agencies for the last 15 years with responsibility for most of the major environmental programs.

In my remarks this morning, I'd like to summarize the actions that the state has taken in response to the July 17th, 2001 incident at Motiva and provide some general context for those remarks with respect to corporate responsibility as well as the limitations on our environmental laws, which I think might need to be addressed.

With respect to the state response to the tank incident the governor demanded that Motiva agree to undertake a third party audit of its mechanical integrity programs at the refinery and to implement recommendations for improvement, findings consistent DNREC also has filed a civil complaint with your own. against the refinery for in Federal Court environmental impacts resulting from the tank collapse including air quality and hazardous waste violations. EPA likewise, filed a federal action for Clean Water Act violations and we have moved that those two suits be joined in Federal Court.

The General Assembly passed as several speakers have mentioned, passed Governor Minner's legislative initiative regulating above-ground storage

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tanks containing hazardous compounds and petroleum products. I'd like to elaborate on these items further in my testimony.

As you probably know, the Delaware Department of Natural Resources and Environmental Control has a long history of regulatory oversight of the Motiva Delaware City Refinery. That oversight ranges from permitting, air emissions and waste water discharges, to regulating the transfer storage and disposal of solid and hazardous wastes. We also regulate the management of extremely substances the facility, that's at а program consistent with the risk management program under the Federal Clean Air Act.

The refinery holds more operating permits from our agency than any other industrial facility in The facility has also consistently t.he state. violated of environmental laws and many our regulations over many, many years since it originally started operation. Having said that, the findings of the Chemical Safety Board are consistent with and reinforce the observations of the Department Natural Resources and Environmental Control respect to the mechanical integrity issues refinery.

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We recently reviewed the nature of those violations and we've estimated that approximately 70 percent of the environmental violations the refinery during the past six to seven years were directly attributable to the lack of an effective maintenance and repair program for industrial process equipment. I'd like to point out and I will later in my testimony that the environmental laws are regulate those industrial structured to process equipment. Typically, we pick up violations at the end of a discharge pipe or at the end of a smoke stack.

Biden pointed the As Senator out, financial scandals of recent months have questions about corporate integrity and responsibility regarding accounting and reporting practices. think similar questions can be raised about corporate responsibility for environmental compliance In the first instance, such practices put shareholders' financial health at risk in the latter, the public's physical health. Fortunately this behavior involves only а small fraction corporate community. Unfortunately, I would include Motiva's Delaware City Refinery in that group.

There a myth that compliance among large

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corporations inherently better than that of small or corporations medium sized that lack adequate resources, expertise or the will to comply with the country's complex environmental requirements. It's been my experience in administering these programs for over a decade and a half that large corporations with more than sufficient resources and expertise routinely are found to be in violation with our environmental Sometimes this results from economic dynamics laws. within a particular industry sector, sometimes due to a lack of attention and responsiveness from a huge corporate bureaucracy and for a variety of other reasons.

We've found that corporate mergers and acquisitions create incentives can to delay and repairs and other needed investments. Clearly this the case in the petroleum refining industry today in general and with this facility in particular. In response to concerns about maintenance, repairs and mechanical integrity of the Delaware City Refinery, Governor Ruth Ann Minner took the unprecedented step of demanding that Motiva pay for a third party operations and maintenance expert with substantial hands on experience in refining to review Motiva's integrity mechanical programs,

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contractors being for by the company and working under the direction of the Department of Natural Resources. I'd also like to point out that the Governor made it clear and I was in a meeting with corporate officials, that those demands had to be satisfied in exchange for allowing that company to continue to operate in the State of Delaware.

If they don't abide by those provisions, I think it's her intent to shut this facility down as difficult as that may be not only for the economy and for continued provision of gasoline and other fuels but also for the workers that work at the plant and the contractors that work there. But her resolve unmistakable. She has made it very clear to them that if they don't begin complying with the environmental laws of this state, they will not be allowed to operate.

The goal of the evaluation to insure public health and safety and protect the environment by determining if the refinery has minimized risks of operation by appropriately taking into consideration the applicable industry standards and good engineering practices for maintenance, equipment repair, inspection, testing and replacement.

In summary, the scope of work being

performed includes evaluating the refinery's programs mechanical integrity of all insure operations including all equipment, storage tanks, pressure vessels, and piping, evaluating the refinery's organizational structure, including management systems that are used to make decisions concerning inspection, testing, monitoring, maintenance, repair and replacement of equipment, evaluating the refinery's capital expenditure plans for maintenance, inspection, equipment equipment replacement and turnarounds. And this really unprecedented. Getting behind the decision making processes of the corporation, believe we absolutely essential.

We intend, certainly to hold that information confidential because it such, it's protected under state and federal law but we want the company to show us, to demonstrate to us that they're making the capital investments that need to be made in order to operate that refinery safely.

Recommendations that result from the review for improvements, the refinery's mechanical integrity programs will be part of a legally binding agreement between the state and the refinery and will include stipulated penalties that will be imposed

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should the refinery fail to implement the recommendations on schedule.

important With a few exceptions, the nation's environmental laws do not reach into industrial processes. They set standards for air emissions and water discharges at the end of the pipe or the top of the smoke stack. Two very notable exceptions are the Resource Conservation and Recovery Act whose provisions are considered preventative in nature, doing things to keep accidents or keeping from occurring, as well the risk releases management program under Section 112(r) of the Federal Clean Air Act Amendments of 1990 which requires risk management planning, hazards assessment, emergency planning and prevention response programs for extremely hazardous substances.

The scope of these laws, however, relatively limited. RCRA only applies to hazardous wastes. So tanks and containers holding chemical products or intermediates are not covered. In the later instance, extremely hazardous substances are only a small subset of chemicals in use, albeit the ones that represent the greatest potential risk of catastrophic accidents, the origins of the law are the result of the Bhopal incident, as you well know, which

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led to the creation of this Board.

But by and large the other laws do not impose requirements or standards for inspection, maintenance or repair of industrial process equipment and I think that's an important point. We need to get into the operations of these facilities. Their jurisdiction limited to requirements for the use of pollution control equipment. A release or exceedence has to occur before the enforcement action can be taken.

The explosion and sudden tank collapse at the refinery that resulted in the release of spent and fresh sulfuric acid illustrates gaps in both federal and state regulatory programs. The company admitted the tank had a history of corrosion problems. Work orders for repairs had been submitted but the work had not been initiated. The tank collapse and release killed one worker and injured eight others, caused widespread contamination at the facility, released over a million gallons of sulfuric acid contaminated with hydrocarbons to the land and water and resulted in the fish kill and other environmental damage.

The spent acid not considered a hazardous waste because it's reclaimed and reused as part of the process. Nor it considered an extremely hazardous

substance. This a glaring hole in the regulatory programs that needs to be addressed. There no federal above-ground storage tank law and only about half the states have some kind of above-ground storage tank requirements. In some cases, those requirements only apply to oil tanks, some include chemical tanks as well.

think Delaware has one of the most comprehensive programs in place and the regulatory requirements will flow from that. It's a fairly comprehensive program. We even regulate tanks between 250 gallons and 12,500 gallons. We require them to at least register, tell us what's in the contained in those tanks, what they're made whether or not they're compatible with the structural material of the tank, with the assumption that if we find that there are certain classes of tanks within that category that need to be regulated, we'll be able to come back to the general assembly and subject them to further regulation.

Tanks above 12,500 gallons then are subject to nearly full regulation under the program with few minor exceptions. In response to the Motiva collapse, along with other releases from above-ground tanks, Governor Minner proposed and the General

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Assembly subsequently passed an above-ground storage tank law that will require companies to meet specific standards industry for construction, inspection, maintenance, repair and replacement of tanks containing hazardous substances. Recommendation in your report suggests that process safety management requirements be part of that program and we certainly intend to pursue that.

legislation applies tanks of The to certain minimum size containing circular regulating compounds so it's not just waste, it's a full panoply of chemicals that are in use currently in industry. Smaller tanks that are not subject to regulation must be registered with the Department so we can create a statewide inventory of those tanks. The legislation also requires tanks to be labeled so that emergency responders will be better informed as to the contents of tanks. DNERC will be able to conduct unannounced inspections of tanks and tank owners will be required to maintain inspection of tanks and tank owners will be required to make those records available to the Department.

Our agency currently working with an advisory group to craft the regulatory framework that we expect -- and we expect it completed in sooner than

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the two years that specified in the law. Because it's a number of different industries that are involved, and because the standards differ from one industry to the next, we need to make sure we do a comprehensive and thorough job of memorializing those requirements in regulation.

There are a number of federal and state laws that were violated due to the releases at Motiva and their impacts. As a result, the Department and EPA filed complaints in Federal Court in July. complaint alleges violations of the Clean Water Act and Delaware's complaint alleges violations stemming from unpermitted air discharges and hazardous waste facilities without permits. The state complaint also seeks to recover investigative and response costs incurred by the Department and to have the Court's mandate that Motiva develop and implement environmental management assist them in an to achieving compliance with the environmental requirements. We have pursued that in a number of enforcement cases and we found that having those systems in place, if companies choose to use them, helps them gain compliance.

In closing, I'd like to compliment the Board on its report and findings. The report direct

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and the findings and recommendations are consistent with our own review and experiences at this facility. To quote from a recent newspaper editorial, has become а scourge on the state". agree wholeheartedly with that comment. Even today as we speak, as a result of an enforcement action that was taken against them by EPA and the state in March of 2001, which imposed a \$4 million penalty and \$116 million of environmental improvements, the company backsliding on its commitment to that legal enforceable document. This demonstrates an ongoing behavior even in light of the incidents that have occurred that show its recalcitrance in complying with environmental laws.

If they continue this course, they will be shut down by this governor. I'm convinced of that. I appreciate the opportunity to speak with you this morning. I certainly want to work with the Board and the Department staff will certainly be available to have further discussions with you and I thank you for allowing me to speak today.

CHAIRPERSON MERRITT: Thank you. At this time, I'd like to thank Senator Biden and Congressman Castle and Secretary DiPasquale for their comments. I know you have other responsibilities and we appreciate

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very much your being here today and supporting this investigation and the recommendations.

At this time, I'd like to ask Charles

Jeffress if he would proceed with the staff report.

MR. JEFFRESS: Thank you, Madam Chair. The Chemical Safety Board following an incident such as happened here in July of 2001 dispatches a team of investigators to the site to begin our investigation. That team represented here today. The leader of the team, the investigator in charge David Heller and David will be the primary presenter today of the report.

Also on the team investigator who will participate in the presentation Mike Morris and with them also on the team Don Holmstrom, the recommendation specialist from the agency who will present the recommendations.

The site do their to team goes on They continue with the interviews, a investigation. They then continue with research review of evidence. on incidents of this type, equipment of this type, processes of this type, what appropriate rules and best practices there are governing operations of this They develop a draft report among the staff and then present that report to the Board. Today what

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you're seeing the staff presenting that report to the Board and it will be up to the Board to act on that. But to make the presentation on behalf of the team, David Heller, the lead investigator in charge.

Dave.

MR. HELLER: Thank you, Mr. Jeffress. Madam Chair, Board members, Mr. Warner. This morning, Mike Morris, Don Holmstrom and I will be presenting to you the results of the CSB's investigation of the July 17th accident at Motiva Enterprises Delaware City Refinery in Delaware City, Delaware. After introduction of some background, Mike will present a summary of the incident. I'll then detail our key findings and our determination of root and We'll then take a short break. contributing causes.

We'll return. Don Holmstrom will present the recommendations arising from our investigation. There will be a number of opportunities for you to ask questions of us as we proceed through the presentation.

In addition to Mike and Don, the CSB team who participated in the field phase of the investigation and in the research and analytical work included Kevin Mitchell, Steve Wallace, Giby Joseph, Shannon Jones and Steve Selk. I'd also like to

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acknowledge a number of organizations with which we during the the investigation; course of Delaware Department of Natural Resources and Environmental Control, that's DNREC, Delaware Fire Marshall's Office, Occupational Safety and Health Administration, Environmental Protection Agency, the U.S. Coast Guard, and the U.S. Attorney's Office in Wilmington, Delaware.

On July 17th, Jeffrey Davis, a boilermaker with the Washington Group International or WGI, Motiva's primary maintenance contractor, was killed when Tank 393, a spent sulfuric acid storage tank failed as the result of an explosion. The shell of the tank separated from its floor, releasing its contents. The ensuing fire burned for close to one-half hour. Eight contract workers were also injured.

Three other acid storage tanks lost their contents due to leaks caused by the force of the initial blast and the ensuing fire. In total, the EPA estimates that 1.1 million gallons of acid were lost to the environment in the incident and its aftermath and Motiva has estimated that 99,000 gallons of acid were released into the Delaware River.

Now, the Delaware City Refinery located on the river. It can process 140,000 barrels per day

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of crude oil. At the time of the incident, it had approximately 650 employees and about 300 contract employees. Motiva a joint venture. It's owned by Shell Oil Company and Saudi Refining Company and the Delaware City Refinery one of four Motiva Refineries.

We'd like to spend some time talking you through the situation or the acid tank farm. These are the tanks in this tank farm. There's six tanks that were built in I think it was the late `70's and the picture up on the board here, on the screen here, shows the three west tanks, 396, 391 and 392. The tanks are about 47 feet in diameter, 32 feet tall to give you an appreciation for the size. They're about 20 feet across from each other in the east/west direction and about five feet apart in the north/south direction.

This a view taken from the northwest looking towards where 393 would have been. This 393 on its side, 394 in the background and 396 in front. You can see some of the fire damage on 394 and 396. Again, there are six tanks in the sulfuric acid tank farm. They provided storage for both fresh and spent sulfuric acid for the refinery's alkylation process and the tanks had a capacity of 415,000 gallons each.

Concentrated sulfuric acid used as a

catalyst in a refinery's alkylation process. It's extremely corrosive. Now, the spent acid also contains several percent hydrocarbons, including a small amount of volatile flammable hydrocarbons such as isobutane. Now, these hydrocarbons can evaporate into the vapor space above the liquid inside the storage tanks.

Now, to have an explosion three conditions are required; fuel, oxygen and a source of ignition and these are the three sides of the fire triangle. Take one away and an explosion cannot occur. Now, these conditions came into alignment on July 17th, 2001. The tank normally contains sufficient fuel but the very nature of spent sulfuric acid, a condition not well understood by those working that day.

And inerting system was not doing its job and allowed air, which oxygen, to enter the tank. The purpose of an inerting system to reduce the concentration of flammable vapors and air in the vapor space of a vessel below the point at which a mixture can sustain combustion. And finally, hot work, burning and welding to cut metal which generated sparks, was being conducted around the tank with holes due to corrosion. And these holes provided a pathway for the sparks to meet the flammable atmosphere inside

Tank 393. And I'd now like to pass the speaker's platform over to Mike Morris, who will take us through the incident itself.

MR. MORRIS: Thank you, David. Madam Chair, Board members, Mr. Jeffress, Mr. Warner, the July 17th incident was preceded by a few important events, but before we get into that I would like to show you a couple slides to give you an idea of what was up and down on the catwalk. The slide up here looking south from a tank from above Tank 393, this area looking south toward Tank 395.

This the grating that we'll be talking about in the catwalk sections. You can see the stairs in the back. Those are going down Tank 395. This looking south from above Tank 396, from there, slide looking down to Tank 392. And again, you can see the catwalk sections and the grating sections. Work that was being done up there that day and the previous days was sections of this catwalk that were corroded were being cut out and replaced with new sections. How they did it was they would cut out a section and then they would immediately replace that section with a new section so they would not leave any holes.

A couple of -- again, the corroded catwalk above the acid storage tanks was what the assignment

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was to replace those days. Those catwalk was corroded from the acidic environment that was present in the acid tank farm. Contract workers were assigned to replace these sections. Over the previous month, they had worked on this project four times. However, hot work was denied on at least two other occasions; once for high sulfur dioxide levels in the acid tank farm and then again on June 27th, when flammables were detected by an operator when he went out to do his checks before issuing the hot work permit.

That operator went onto write an unsafe condition report outlining the hazards that he believed existed in the acid tank farm. The time line for the July 17th event, the beginning of the shift, four workers were assigned the catwalk job. They went to the acid unit to try and obtain a hot work permit for that day. Around 7:50 a.m. acid unit management issues a hot work permit. Workers begin carbon arc gouging on the grating directly over Tank 396, in this Now, I'd like to explain what carbon arc area. It's a method of cutting. It uses and electric arc generated between the tip of a carbon rod and the piece of work. It generates high heat and melts the metal and then a stream of high pressure air, streams down the carbon and blows away the metal

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and it blows the sparks a good distance.

Work in the morning was on this section of grating in this area. They replaced -- they would cut out these sections and then replace them and then between 12:00 and 12:30, they broke for lunch. Now, at 12:30 they returned. The grating that they cut out in the morning, they stacked in this area right here. And when they returned from lunch, the workers lowered the grating down, the cut-out grating, and they stacked it along the north wall inside the dike.

Around 1:30 two workers resumed carbon arc gouging on the catwalk above Tank 393. What they were doing at this time, since they replaced this catwalk section in the morning, they were beginning work over here and their thinking was to work back towards Tank 396 for the afternoon work. Upon doing this, sparks either entered holes in the roof of Tank 393 or they contact fumes escaping from those holes and this triggers an explosion, a blast which ignites vapors, triggering an explosion and lifts Tank 393 off the ground, separates the shell from the tank floor and sends it 40 feet to the north landing across the dike wall and releasing the contents of its sulfuric spent acid.

Jeffrey Davis was killed in the collapse

of the tank. Eight other contract workers The release of the entire contents of Tank 393 and 396, soon after the release hydrocarbons in this acid ignited and burned for approximately 30 minutes. This release overwhelmed the containment dike surrounding these tanks. It was spoken before that it was estimated that over one million gallons of acid reached the environment resulting in а significant kill of aquatic life in the Delaware River.

a map of the Delaware City Refinery, This the Delaware River. in this area. Another point of reference the Red Line Creek to the north and this the Delmarva Power and Light Channel. release of acid went in several directions. One direction -- this the acid tank farm. One direction that it took was to the south. It entered the oily water sewer system of Motiva's waste water treatment and it made its way underground to the waste water treatment plant in this area and then was released and made its way into the Delaware River. Also, sulfuric acid was released to the east and this acid made its way into the storm water sewer. The storm water sewer runs underground and discharges into the Delmarva This was a significant portion of the Light Channel.

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1 release and this where the greatest amount, which was estimated at 99,000 gallons of untreated sulfuric acid 2 3 reached the Delaware River. 4 Also acid release flowed to the northwest 5 around these ash ponds and made its way into a 6 tributary of Red Line Creek in this area. 7 time I will be able to answer any questions that the 8 Board may have. 9 CHAIRPERSON MERRITT: Yes, are there any 10 questions from the Board? 11 DR. POJE: Yes, I have one. Yeah, if you 12 could clarify for me, Mike, a couple of points; one that the work began at 7:50 in the morning. 13 14 your estimate temperature then and temperature around 15 1:30 or so? 16 MR. MORRIS: The actual temperature was, 17 the low that day in the morning was 71 degrees and it 18 increased to 85 degrees in the early afternoon. 19 Part of my concern there would DR. POJE: 20 be the release of vapors in a much higher temperature 21 might be much greater than in the morning. 22 MR. MORRIS: Correct. 23 DR. POJE: The second issue the diking 24 Can you describe for me what the nature of the 25 what size release was it designed to dike was,

2 contain? The dike wall around 3 MR. MORRIS: Sure. 4 these six acid tanks designed to contain 100 percent 5 of the largest tank inside of the dike. So it could contain 110 percent of any of these tanks, since they 6 7 were all the same size. The type of release that 8 occurred on the 17th was a catastrophic release, which 9 not built or designed to contain something the dike 10 like that. Dikes are usually built to contain a small 11 leak, a steady leak, nothing with this catastrophic amount in this short amount of time. 12 Just one more clarifying point; 13 DR. POJE: 14 you did say that the tank, when it had a degradation 15 in it, released off of its base and was propelled for 16 some distance beyond where it had originally stood. 17 How far was that distance? 18 It was approximately 40 feet. MR. MORRIS: 19 DR. POJE: And what was the distance 20 between 393 and 394 and the distance between 393 and 21 396? 22 MR. MORRIS: The distance between the 23 tanks north and south was approximately five feet and I believe the distance between the tanks east and west 24 25 was 19 to 20 feet.

contain and what type of release was it designed to

	DR. POOE: I'M presuming there's no real
2	analysis that says it couldn't have gone in the west
3	direction or in the south direction if it was
4	propelled off of that base.
5	MR. MORRIS: Correct, it was it just
6	happened to go to the north.
7	DR. POJE: So we are another
8	happenstance to be had of a failure that wasn't even
9	more monumental than the one that occurred that day.
10	MR. MORRIS: Correct.
11	MR. BRESLAND: Mike, the employees who
12	were working at the time, were employees of which
13	company?
14	MR. MORRIS: They were employees of
15	Washington Group International, a contractor that the
16	primary maintenance contractor of Motiva.
17	MR. BRESLAND: And how long had they been
18	working at the facility?
19	MR. MORRIS: Each individual worker?
20	MR. BRESLAND: Well, as I understand
21	there were four workers working on or around the tanks
22	during that day.
23	MR. MORRIS: Correct.
24	MR. BRESLAND: there kind of a general
25	time frame of how long
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Τ.	MR. MORRIS: The range of the four
2	workers was I believe one worker had been there pretty
3	much consistently throughout his career for over 20
4	years. Another one of the workers was there throughout
5	his career for 15 years. Two of the other workers
6	were apprentices or journeyman, apprentices, I
7	believe, and they had been there a short time, maybe
8	one to two years, not consistently in that plant but
9	as projects would come up, they would come in and do
10	the work and then they would go to other jobsites.
11	MR. BRESLAND: And there was a burning
12	and welding procedure in operation in the plant, which
13	I assume we'll get to later on. Had they been trained
14	in that procedure?
15	MR. MORRIS: Yes, the workers that come
16	in from Washington Group routinely go through a half a
17	day of training of the Motiva safety practices,
18	policies and procedures. They're shown video tapes
19	and they are given they are fitted for respirators
20	at that time and go through a long list of
21	requirements before they are permitted to work.
22	MR. BRESLAND: Okay, thank you.
23	MR. MORRIS: Thank you.
24	CHAIRPERSON MERRITT: Are there any other
25	questions?

	DR. ROSENTHAL: Yean, just one question.
2	You said the distance between the I guess east/west
3	of 393 and 396 was approximately 19 feet?
4	MR. MORRIS: Correct.
5	DR. ROSENTHAL: And the catwalk was in
6	that in between area? Where was the catwalk located?
7	MR. MORRIS: That catwalk was in this
8	area between the tanks and it touched every one of the
9	tanks, connected them and gave access to the roofs of
10	the tanks.
11	DR. ROSENTHAL: So in other words, if you
12	worked on the catwalk on one side of the tank, you
13	weren't very far from the other tank.
14	MR. MORRIS: No, definitely not. The
15	maximum distance here 19 feet and the height of the
16	catwalks also about 32 feet which puts them right on
17	top of the tank roofs.
18	DR. ROSENTHAL: Yeah, in other words,
19	it's very difficult to isolate sources of ignition
20	when you're working on one tank from another tank.
21	MR. MORRIS: Correct, it would have to be
22	a critical thing to do. It would take a lot of
23	planning.
24	DR. ROSENTHAL: Okay, thank you.
25	MR. MORRIS: Thank you.
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1 CHAIRPERSON MERRITT: Are there any other 2 questions? At this time Dave Heller 3 MR. MORRIS: 4 would like to overview the key findings of the report. 5 CHAIRPERSON MERRITT: Following Dave's presentation, then we'll take questions and a break. 6 7 MR. HELLER: Thanks, Mike. We identified quite a few key findings, there are 15 in number to 8 9 walk you through here. The first key finding 10 explosion in the vapor space of Tank 393 generated 11 sufficient pressure to separate the tank's floor to 12 shell joint. The explosion, classified as a weak 13 deflagration, most likely occurred when either a spark 14 from the maintenance work contacted flammable vapor 15 coming out of one of the holes in the tank or a spark 16 physically went through one of the holes into that 17 vapor space of the tank. 18 Our second key finding covers a number of 19 regulatory issues but first some background. 20 OSHA's talk about Process Safety Management we 21 standard, that's 1910.119 in the Federal Regulations. 22 The Process Safety Management standard or PSM, it's a 23 systematic approach to safety in the prevention of catastrophic incidents. And the standard details 14 24

elements of good safety management practice.

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The

standard requires adherence to these elements processes containing a specific list of hazardous substances, including flammables. Now, the key points are sulfuric acid not covered by the PSM standard. Flammables above a threshold quantity of 10,000 pounds are covered. However, in 1995, a judge ruled in a decision called the Meer decision that PSM coverage does not extend to storage tanks to stored flammables in atmospheric tanks even if the tanks are connected to a process that covered by the standard.

Now, OSHA has not challenged this decision atmospheric tanks low pressure tanks and or withstand buildup of internal designed to any pressure. Now OSHA did not issue any citations to Motiva under the PSM standard in the citations they issued following this incident, and that leads us to our second key finding.

Motiva did not consider the acid tank farm covered by the requirements of the OSHA PSM standard. If Motiva had followed the good process safety management practices for the tank farm processes and equipment, practices such as mechanical integrity and management of change, the incident would likely not have happened. Now, mechanical integrity a system that covers the design and maintenance of equipment

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and it insures that equipment meets codes and standards and that their equipment inspected and repaired to insure safe operation and management of change, as the name implies, a system that insures that changes to equipment and to processes are made correctly and safely.

To complete our regulatory findings, I'd like to acknowledge the recently enacted Jeffrey Davis Above-Ground Storage Tank Act. And the State of Delaware found that sulfuric acid tanks also fell outside of the coverage of the state safety process management regulation, so as a result of this incident and others, the state enacted the Jeffrey Davis Act and it's designed to control the installation, and maintenance repair of above-ground operation, The purpose of the legislation storage tanks. provide for the safe containment of petroleum and other regulated substances in tanks that exceed 12,500 gallons in capacity.

DNREC, the Department of Natural Resources and Environmental Control in Delaware now developing the regulations under the Act to address these issues; maintenance, inspection, upgrade, closure of the vessels, along with regulations for the cleanup of spills and releases that might occur.

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Our third finding, Tank 393 and other acid tanks had a history of leaks. There was an internal inspection of the tank done in 1994. No internal inspections were done after that as we've heard brought up already by our speakers. But in 1998 there was a shell leak, there were two leaks in 1999, two leaks in 2000 and another leak in May of 2001. All these leaks were repaired except for the leak in May This a photo of the unrepaired leak. of 2001. we believe this leak was about three inches in width initially. After the incident, it expanded to about 21 inches we believe from the force of the blast of the tank coming off its foundation.

This slide shows the series of carbon patches that were installed on the tank over the years to repair these leaks. There's one you can barely see down here, a circular one here, another one here, and a rectangular one here. Here's that three-inch leak and finally one you can barely see the corner of on the top. Now, these leaks were all in a vertical row on the tank and they were all in the western, southwestern, western side of that tank. It's an area where there was a level gauge and air bubbler that would contribute a little bit to that corrosion and also it's an area that would have received the most

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sun exposure and sulfuric acid more corrosive as it's
-- as it gets warmer.

I'd like to show you two other holes. This was a hole that was under insulation. It was initially about two and a half inches in diameter but it was discovered after the incident. It was about 14 inches long. That increase in size was due corrosion. Again it was under the insulation at the time of the incident but it's representative of the kind of problems that the tank was having in that vapor space and the holes that were up there.

And finally, a hole that we'll be talking about more as I quess the presentation on the inerting system, there had been a nozzle on this hole and it had corroded off. It was about a one and a half inch hole now, and the hose that supplied the carbon dioxide inerting gas to the tank was dropped into this hole through about a three-quarter inch hose, there's a little play around all the sides of that There were a number of other holes. There was a hose. hole that was under the roof to shell seam, about a five-inch diameter hole and there was also a number of There was a gauge hatch that operators other spots. would drop down a gauge tool to see what the level in the tank was that didn't close tightly. Again, those

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are other opportunities for air to enter the tank for flammable vapors to leak out.

Now, beyond the Project 393 other tanks in the acid tank farm had leaks also. 394, 391 and 395 were sister tanks in the acid tank farm here with the 393. 395 was replaced in 1995 because of corrosion. The two other tanks listed there, 320 and 398, were tanks that were also in sulfuric acid service that were over in the alkylation unit of the refinery and also 320 was replaced, again, as recently as five years before the incident.

key finding, Motiva's Our next tank inspectors recommended internal inspection of Tank 393 as soon as possible, in 1999, 2000 and 2001. Now the inspectors were certified under the American tank Petroleum Institute, their standards. 653 their standard for inspection of storage tanks. talking about that standard in a little more detail. Now, Motiva did not act on these recommendations to have the tank inspected. It's likely that this inspection would have identified the serious localized corrosion occurring inside the tank that resulted in They had deferred that inspection a number the holes. of times. Tank 393 was emptied three times between April of 2000 and April 2001. Each of these occasions

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was an opportunity to prepare the tank and conduct an internal inspection. Now it takes some time to prepare a tank for internal inspection. It's to be emptied out and cleaned out, parts have to be sandblasted so people can go inside of this storage tank.

It requires some juggling of inventories and acid movements, but there was no evidence that Motiva looked at alternatives for managing its acid inventories in order to conduct this inspection. six key finding, that design and implementation of the sulfuric acid tank inspection program was inadequate. in last internal in 1994 the inspection, Now, inspectors had recommended based on their measurements and the thickness readings that the next internal inspection be conducted in 1996 and it was never conducted.

There was another opportunity that Motiva had to determine where the leaks were and this was to do a full external inspection. Now, an external inspection could be done while the tank in operation and it requires the removal of insulation to expose areas for observation and to do thickness readings but again, it's done from the outside and it's -- you know, the tank still running. So again, it's an

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opportunity for Motiva to really could have likely identified the holes in the tank.

Now, for concentrated sulfuric acid, the National Association of Corrosion Engineers or NACE International, they specify an inspection period of five years for an internal inspection and two years for an external inspection. Instead, Motiva was using the American Petroleum Institute's guidelines of scheduling internal inspections for tanks every 10 years and externals every five years and again, they weren't conducting those inspections on Tank 393. They were hoping to adhere to this standard but again, 393 never got these inspections.

Now, API's tank standards are not written for sulfuric acid tanks, they're written for hydrocarbon storage in general but they're used by industry for tanks, for most tanks. Continuing on with some more information on this finding, the tank standard 653, the API standard, it requires that flaws and deterioration be evaluated and a determination made of fitness for the intended service. Tank inspection intervals need to be modified based on a service history and that can be evidence of corrosion in the tank in question or evidence of corrosion in related tanks, again, you saw the corrosion in the

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other tanks in the acid tank farm.

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Obviously, this evidence of was deterioration in the tanks. Motiva's tank inspectors attempted to meet this requirement of the inspection standard and in their repeated calls for an internal inspection. It's clear that the holes in the vapor space of а tank containing а flammable atmosphere render it unsuitable for that service.

Our next finding; management stated in the interviews with the Chemical Safety Board that they did not consider Tank 393 to constitute an eminent danger to safety or the environment. They stated in their belief interview, that patching the leaks allowed the tank to operate safely even inspectors noted that repairs were temporary and that an internal inspection was required to insure vessel They also believed that lowering integrity. liquid level in the tank below the leak point and manage the hazards, they were focused, the plant was, in the hazards of sulfuric acid and stopping leaking of acid out of the tank and they didn't take into consideration the flammable vapors in the tank.

Now, Tank 393, our next finding, was converted from fresh to spent acid service with minimal engineering support. Now, fresh acid 99

percent acid with one percent water. It's not flammable. The spent acid, however, contains the several percent of various hydrocarbons and a critical issue here then that those hydrocarbons, some of them are flammable. Motiva recognized that they had to protect against this potential flammability.

They installed an inerting system, installed a combination pressure and vacuum vent to maintain tank pressure and they installed a flame arrester on this -- under this vent in case there was a problem. However, Motiva did no engineering and they did not issue an engineering request to their contractors to -- for engineering support in the work order for the conversion of the tank from fresh to acid. spent The sizing of the inerting flow conditions requirements for normal and upset the carbon dioxide flow inadequate and was insufficient to maintain the non-flammable atmosphere in the tank. And the tank lacked a weak seam roof or other emergency venting provisions which likely would have prevented it from separating at the floor and catastrophically releasing its contents.

Our finding number 10 that Motiva did not use it's management of change practices to review the conversion of Tank 393 from fresh to spent acid

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service. Management of change again, one of the good process safety management practices that was not followed by Motiva and as a result, the conversion of the tank from fresh to spent did not benefit by these good practices. First, there was no review and signoff for the proposed changes by subject area experts, corrosion engineers or tank design experts and no review by higher level management. Now, a management of change or MOC system requires reviews by a diverse group of technical and management personnel to insure the changes are done safely.

Secondly, as part of а management of hazard system, there no process conducted to assess the safety of the proposed change. A process hazards review or process hazards analysis safety tool in which a multianother process functional team reviews the hazards of a proposed change.

And finally, there was no pre-start-up safety review. A pre-start-up safety review another tool. Again, it's used after the change constructed. A team goes out to review the physical aspects of the change and if there's any changes to procedures or operating instructions, to insure the project method design and intent. And here, it's possible that the

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use of a hose to supply inerting gas to Tank 393 would likely have been observed and corrected.

Our next finding, the vapor space contained flammable vapors and this was a given from the nature of spent sulfuric acid. Remember the fire triangle we looked at, this one of the requirements to have that explosion in the vapor space. second side of the triangle, the vapor space was not adequately inerted. The carbon dioxide flow was insufficient to keep the internal atmosphere below the flammable range. I'd like to take you through a little diagram of the inerting system.

Now, initially the refinery inerting Tank 396 and they set it up with a carbon dioxide inlet going through a pressure reducing valve into the tank was all right, but when they decided to inert 393, as we saw earlier, they took this three-quarter inch hose and ran it from this system for 396, piggybacked it over to 393. And because of the length of the hose, about a 50-foot standard length of hose and the small diameter, it was not able to pass enough carbon dioxide to put enough into the tank to keep the atmosphere below the flammable point. And again, we saw that the tank, the hose was dropped through a hole. There was room around that hole for air to get

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in and out. There was other places for air to get in and out. 393 was connected to these two tanks, 394 and 395. They had a common overflow line, so if you filled the tank up too high, it would overflow down to the ground but that was open to the atmosphere and these two tanks were also open to the atmosphere. So again, maintaining the carbon dioxide inside the Tank 393 was defeated.

You saw the holes, evidence of the holes again, places where carbon dioxide could leak out, air could get in. And I think a final point was that there was on instrumentation -- there was no way for the operators to really assess if the system, the inerting system was working properly whether there was enough carbon dioxide in the tank to keep it below the flammable range.

Now, our next finding that Tank 393 exhibited severe localized corrosion beyond that considered normal in sulfuric acid service. acid corrosive. And when you design a tank for sulfuric acid, you typically design it with what they call corrosion allowance, some extra thickness in the that tank goes through the metal so as corrosion cycle, that one way we still have got all the life and integrity of the tank. But what we saw

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in Tank 393 was severe localized corrosion and this was due to the water that was entering the tank through the various holes. Water dilutes the acid and this would typically be at the liquid level, where the acid, you know, at the top of the liquid level of the tank, and water dilutes the acid. Diluted acid much more corrosive than the strong sulfuric acid, either fresh or spent acid.

So at that liquid level where the water would gather either from rain water or from moisture in the atmosphere coming in through the holes, that's where we were seeing the extreme localized corrosion. Corrosion leads to holes, leads to more water getting into the tank, more corrosion.

The Unsafe Condition Report, our next detailing holes in Tank 393 and 396 was submitted to management on June 27th, 2001. That was the about 20 days before incident. Motive it did not investigated but take any actions deficiencies correct the or implement temporary safequards such as banning any hot work in the vicinity of the holes. Now, the operator had submitted this report after he had gone up on the cat walk to try to issue a hot work permit for the work being done and he obtained readings of was

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flammable vapors on a hand-held monitor.

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Our final key finding that Motiva allowed hot work to be performed in the vicinity of a tank with holes in its roof and shell. Work should not have been authorized. Motiva was aware of the condition the tanks fact thev of and the that contained material that contained flammable vapors. Workers should not have been allowed to burn or weld near the tops of the tanks. However, once the work was authorized, no precautions were taken for retesting or continuous monitoring of the area around the work. Motiva did not take other steps that could have been used to minimize the risks.

Contract workers were not aware of the hazards they faced and there was no communication between Motiva and the contractors as work methods and work locations were changed. We'll be going on to the root and contributing causes, but first, let me ask you if at this point you have questions.

CHAIRPERSON MERRITT: Yes, Dr. Taylor.

DR. TAYLOR: I want to go back to the issuance of the hot work permit and get some clarification.

MR. HELLER: Sure.

DR. TAYLOR: And I have two questions

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1	related to that. You mentioned that 20 days prior to
2	the incident, a hot work permit was denied and an
3	Unsafe Condition Report was submitted. On the day of
4	the incident and prior to the work being performed had
5	management monitored the area?
6	MR. HELLER: Right, to issue a hot work
7	permit, you the field operator went up on the cat
8	walk and took readings for sulfur dioxide and for
9	flammables and they were negative, there were not
10	readings so they were able to issue the hot work
11	permit at that time.
12	DR. TAYLOR: Was that above both tanks or
13	above Tank 396 or how do they do that?
14	MR. HELLER: Typically, the operators
15	would go up there and they would take readings around
16	the hole catwalk area, not just the one
17	DR. TAYLOR: And on the day of the
18	incident they did monitor.
19	MR. HELLER: Yes.
20	DR. TAYLOR: And I guess my second
21	question then related to that what the common
22	practice in industry concerning retesting areas where
23	hot work performed?
24	MR. HELLER: Industry going more and more
25	to first of all, one option continuous monitoring,

1 where you have a monitor up there that's always in 2 place. Monitors are new technology getting to be much 3 less expensive, maybe 500 bucks for a continuous 4 monitor and that can be up there the whole time and 5 it's a continuous monitor which gives off like an alarm if there's any readings detected. 6 7 Another method to do some retesting and retesting done if the operator, if the workers leave 8 the area and come back, conditions could change while 9 10 they're away from the area eating lunch or whatever. 11 So retesting another option. DR. TAYLOR: And the workers did leave and 12 come back for lunch and then they came back. 13 14 MR. HELLER: The workers went for lunch 15 and they came back, yes. DR. TAYLOR: 16 And there was no monitoring. 17 I'm interested in a DR. POJE: Dave, 18 couple of aspects. the bigger picture issues and One 19 then we'll get into something more narrow. 20 Board, throughout our history of investigations has 21 focused in on best practices as defined by the 22 industry itself, frequently going to the Center for 23 Chemical Process Safety, asking questions about what 24 -- how does one define working around very hazardous

materials and define best practice. So that has led

from early development in the late `80's to the requirement that it be enforced by federal regulations, the OSHA Process Safety Management Regs.

Can't you give me some insights as to what kinds of approaches towards process safety management were deficient in this area? I think you've identified a few but I want you to synopsize where you've been.

MR. HELLER: Well, again, hot work one of the elements of process safety management. One of the first things that need to be done with a hot work permit to assess the area, determine what the risks are and what the hazards are. And in other standards, such as the OSHA standards for burning and welding, if there are hazards, you have to take steps to control the hazards. In this situation, we don't think the hazards could have been controlled because of the presence of all these holes on the tank.

Options are to take the work down and do the welding away from the area, wasn't possible for a cat walk which was obviously up there in place.

DR. POJE: But I also worry about the other big issue which mechanical integrity and that certainly a central issue in this whole incident, getting towards repairing work that has been corroded

because of releases of sulfuric acid should be part of a larger program that doesn't wait for holes to appear before you begin to take action.

MR. HELLER: Right. Mechanical integrity programs should be predictive and should be proactive in trying to determine what problems are on a tank. Again, that's where you do your inspections, you take your tank out of service, you get the full picture. companies that mechanical Programs and have а integrity program, all their tanks are listed. There's voluminous data bases of all the tanks and all the inspection reports and a means to follow up on issues that are identified and take action where necessary and also to cross-check between various areas of similarity from different parts of a facility to see if there's any common issues that need to be addressed.

DR. POJE: So part of the Board's issues here, really, are framing what best practice from a private sector vantage point but then how does that best practice get framed in federal responsibilities through the Occupational Safety and Health Administration in this case and you're telling us that this an incident in which the company and OSHA did consider application of not the process safety

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Right, these tanks were not MR. HELLER: considered covered. They did do a number of elements of process safety, again, there was attempt at doing some management of change when earlier tanks had been converted. There was procedures and so forth, all things required bу process safety management, but the rigorous control of these tanks was not there.

DR. POJE: And then if you could clarify one step further, while federal regulations can speak to the big picture or what needs to be done in a certain set of elements, sometimes the practice of implementing the elements, mechanical integrity, might fall then to a private sector standard program that defines how to do things and why. Give us a little background on the API and the NACE activities here that speak to this issue of the tank's integrity and role and responsibilities for inspection on that.

MR. HELLER: The API standard used by vast parts of the industry to inspect their tanks. It's very comprehensive on how to inspect. There's checklists in the standard, what to look for and how to make repairs and it's quite comprehensive, but the key thing that they wanted to determine the frequency

1 of the inspections. Again, API says, "Here's some generic frequencies but modify these based on your 2 3 history, based on what you find through your 4 mechanical integrity program". This an area where we 5 didn't see that work out at Motiva. DR. POJE: But in this case, there are two 6 7 different standard organizations and they're not consistent with their recommendations. 8 9 MR. HELLER: NACE was looking specifically 10 concentrated sulfuric acid. Again, NACE 11 technical organization and metallurgists and corrosion engineers. And their work and their frequencies, the 12 13 five years for the internal inspections, two years for 14 externals, followed by a lot of companies that do 15 handle spent and fresh sulfuric acid. So in this case, NACE has very 16 DR. POJE: 17 specific focus on sulfuric acid tanks and the API 653 18 focused more generally on --19 MR. HELLER: It's focused more generally 20 with the caveat that you have to, you know, take a 21 look at your specific situation and modify those 22 inspections based on what you're actually seeing. DR. POJE: And does the API standard focus 23 just on tanks that have flammable materials in it or 24 25 does it also encompass things like spent sulfuric acid

1	tanks where there a layer of a flammable material but
2	it's not the primary constituent of the
3	MR. HELLER: I think they're generally
4	written for hydrocarbon tanks but really the API
5	standard for construction of atmospheric storage
6	tanks in general and most folks apply those inspection
7	guidelines to all their tanks, not just the
8	hydrocarbon tanks.
9	DR. POJE: We have a flammable incident
10	here so
11	MR. HELLER: Yeah.
12	CHAIRPERSON MERRITT: Andrea?
13	DR. TAYLOR: I just have one other
14	question. Can you explain why the OSHA PSM standard
15	does not cover tanks such as the tank involved in the
16	incident?
17	MR. HELLER: We believe that OSHA's
18	initial intent in the Process Safety Management
19	Standard was to cover these tanks. They're inter-
20	connected to a process that covered by the standard,
21	but again, through the years, through the <u>Meer</u>
22	decision and through the <u>Akzo-Noble</u> decision another
23	issue, this area has been muddied and it's an area we
24	think needs to be refocused and brought under control.
25	CHAIRPERSON MERRITT: Are there other

comments, questions?

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Yeah, I've got a couple of MR. BRESLAND: Talking about Tank 393, as questions for you, David. I understand it, it contained spent sulfuric acid with approximately one percent insoluble organics which we would assume would be floating on the top of the tank, and that would give you perhaps if the tank had about -- let's say the level of the tank was approximately 30 feet, you'd have three or four inches of organic layer floating on top and this may be a little bit outside the scope of your investigation, but if there are holes in the tank and you have this organic floating layer, would that give an environmental compliance issue of release of VOCs?

MR. HELLER: We didn't look into the amount of emissions that could possibly be coming out of the tank. Again, the amount of organics in the tank in that layer was really never determined. Just, you know, the very nature of sulfuric acid, it doesn't take much to have a flammable atmosphere in that tank.

MR. BRESLAND: Still talking about the tank and the holes in the tank, that -- what's general industry practice when it comes to operating storage tanks which have identified holes in them caused by corrosion?

MR. HELLER: In my experience, if you have a tank like that, you would -- you'd probably do an assessment and determine what needs to be done and I think in this situation, the determination would be to take to it out of service and get those holes repaired. Now, at a minimum to make sure that no work was being done in the vicinity of those tanks during the time it takes to get that tank down and ready.

MR. BRESLAND: Okay, thank you.

DR. ROSENTHAL: I have just one question, Was there a system in place, you know a formal Dave. that identified deviations from standards system, safety reports, identified them, assigned someone to where follow them to completion, and noted the required actions or recommended actions were actually completed?

MR. HELLER: Yeah, there was а recommendation tracking the system that covered recommendations that came out of various inspection reports and those recommendations went to the unit management. It also went sometimes to higher management and what we found was that there was no one in really control with oversight to take the piece that here we have a tank with holes in it and here we have a production issue of inventory. There's no one

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kind of looking at all those issues and making a decision, "Okay, we can run, no, we have to take it down".

DR. ROSENTHAL: I mean, yeah, there was not a closure date that was -- the recommended action was either completed or formally reviewed and signed off on.

MR. HELLER: I can't recall if the recommendations included completion dates, recommended completion dates.

DR. ROSENTHAL: All right, thank you.

DR. POJE: I have just one other issue that I wanted to raise with you, Dave. happy to hear Mr. DiPasquale talk about the state's efforts, particularly in regards to the new Above-Ground Storage Tank Act that works, obviously, for the State of Delaware but it's not likely to cover other facilities in other states. And Motiva's domain includes four other major -- or three other major facilities and there are many others who use spent sulfuric acid tanks. I also was struck by the fact that EPA in May of 2000, conducted a very explicit public sector review of tank integrity but their focus was narrowed down to the oil containing tanks and they made some urgent recommendations that needed to be

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1 implemented by the Delaware City Refinery to improve 2 the mechanical integrity of those tanks to assure that 3 there was no environmental problem. 4 Unfortunately that blinded -- they were 5 blinded perhaps by policy or regulatory reach into looking at spent sulfuric acid tank. 6 that your 7 analysis, that the EPA program restricted to the --8 in the spill prevention control counter-measures 9 program just to the oil? 10 MR. HELLER: Right. EPA went in and under 11 the spill prevention counter-measures control program 12 and it's really an oil pollution prevention program 13 looking for spills and leaks from oil tanks. 14 they did find significant problems. Three tanks they 15 asked to be taken out of service immediately. This 16 in the year 2000, tanks that had never had an internal 17 inspection since they had been built in the mid-18 1950's. 19 I think this will bear some DR. POJE: 20 vigilance on the part of this Board as we think about 21 the coverage of above-ground storage tanks and roles 22 of federal agencies. 23 CHAIRPERSON MERRITT: Are there any other

CHAIRPERSON MERRITT: Are there any other questions? Then I think at this time I'd like to thank you, Dave, and -- oh, we're going to do root

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causes before we go to a break. That would be fine, thank you.

MR. HELLER: We identified three root causes and two contributing causes for the incident. Our first root cause that Motiva did not have an adequate mechanical integrity system to prevent safety and environmental hazards or address safety and environmental hazards in the deterioration of sulfuric acid storage tanks. Again, a repeated recommendation of the tank inspectors that Tank 393 be taken out of service as soon as possible for an internal inspection were unheeded.

A leak in the shell of Tank 393 in May of 2001 was not repaired. Instead the tank level was lowered below the leak point and the tank was allowed to remain in service. Management failed to recognize the eminent hazard posed by the holes in Tank 393 and did not promptly initiate repairs or take the tank out of service.

Our second Motiva's root cause, engineering management and management of change systems inadequately addressed the conversion of tanks from fresh to spent sulfuric acid. No engineering was done to size the inerting system for Tank 393 and as a result, the inerting flow was insufficient to

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prevent a flammable atmosphere from developing inside the tank and not using the management of change process meant that reviews by subject area experts or management that might have identified the flaws in the design were not uncovered, did not occur.

Our third root cause finding that the Motiva hot work program was inadequate. Again, hot work should not have been authorized in the vicinity of Tank 393, but then once hot work was authorized, Motiva did not take steps to minimize the hazards such as by requiring continuous flammable monitoring.

We also identified contributing two the first one being that Motiva Refinery System for investigating unsafe condition reports, informing workers about such reports and tracking the satisfactory resolution of issues was inadequate. Three weeks between submittal of the unsafe condition report and the incident, Motiva investigated, did some communications but did not correct the deficiencies and did not implement any temporary safeguards.

And our second contributing cause that Motiva Enterprises' corporate management oversight system failed to detect and hold Motiva Refinery management accountable for deficiencies in its integrity, engineering mechanical management and

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management of change systems. Corporate oversight and auditing systems can provide a fresh set of eyes that identify systemic problems that might be overlooked by local management. In this case auditing did not identify the problems. In addition, corporate management was informed of decisions to defer the inspection of some storage tanks which included Tank 393.

They did not question the deferrals or inquire into the basis of these deferrals. And those are our causes. Any questions at this point?

CHAIRPERSON MERRITT: Yes, Andrea.

DR. TAYLOR: Just one quickly, it goes back to the Unsafe Condition Report, you said that management did investigate after the Unsafe Condition Report was filed. Was there a report of what to do or the next steps they would take or what happened?

MR. HELLER: A member of the plant safety department, an inspector went up and looked at the situation and wrote on the back of the Unsafe Condition Report about the problem with the fumes up there and the hazards, and this information was passed to the area management. And area management was in the process of putting together a team to address a wider range of problems in the acid unit.

1	They added this to that list of problems.
2	The report gets communicated to area management
3	safety and health department, again, that's how this
4	inspector got involved, and the union management
5	safety committee.
6	DR. TAYLOR: So they were in the process
7	but had not necessarily hadn't taken any action on
8	what improvements could be made. They were still
9	investigating a total.
LO	MR. HELLER: Right.
L1	DR. TAYLOR: Okay.
L2	DR. ROSENTHAL: I have one quick just
L3	matter of fact. You say that the corporate system
L4	failed to detect these systems. Did they have a
L5	system in place, do you know? Were there corporate
L6	audits being performed?
L7	MR. HELLER: We did obtain some of the
L8	corporate auditing results and they were there was
L9	some work done in the plant for process safety
20	management audits. Again, they didn't look at this
21	area specifically.
22	DR. ROSENTHAL: So the system was in
23	place, it just was not functioning to what we think
24	were reasonable standards. Thank you.

CHAIRPERSON MERRITT: Any other questions?

No? Then thank you, David. And at this time, we'd like to take a 15-minute break and that would bring us back here about 10 minutes after the hour. Thank you.

(A brief recess was taken.)

at this time, also that if there are any others who would like to make a comment, you still may register out at the registration desk. We also have provided power point copies of the presentation and also copies of the executive summary. If anyone would like to have one, they are available. And we thank you for that. And with that, Charles, I'll turn it back over to you and --

Thank you, Madam Chair. JEFFRESS: MR. Now, for the final portion of the staff report are the recommendations coming out of our findings and the root causes and contributing causes. The staff has prepared recommendations for the Board to consider, to people involved and others with impact this incident. Don Holmstrom, our lead recommendation specialist, here to make the presentation on the recommendations.

MR. HOLMSTROM: Madam Chairman, Board member, Mr. Jeffress, Mr. Warner, I will present the

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staff recommendations. Safety recommendations are the the tool used by Board motivate implementation of safety improvements and prevent future incidents. We use our unique independent accident investigation perspective to identify trends or issues that might otherwise be overlooked. recommendations may be directed to corporations, trade associations, government entities, safety organizations, labor unions and others.

Board recommendations begin the process that eventually lives and protects the saves The CSB recommendations program not only environment. in participates development of Board the recommendations but also just as importantly, advocates for tracks and helps insure that successful adoption of recommendations. Board recommendations are issued and closed only by a vote of the Board.

The first recommendation today а recommendation to the Occupational Safety and Health Administration, OSHA. Insure coverage under Safety Management Standard, 1910.119, Process atmospheric storage tanks that could be involved in a potential catastrophic release as a result of being inter-connected to а covered process with 10,000 pounds of flammable material.

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I would note to the Board that under current OSHA definition, a process means any activity involving highly hazardous chemicals including the use, storage, manufacturing, handling for the onsite movement of such chemicals or combination of these activities. For purposes of the OSHA definition, any group of vessels which are interconnected and separate vessels which are located such that a highly hazardous chemical could be involved in a potential release shall be considered a single process.

The PSM standard applies to a process which involves flammable liquid or gas on site in one location in a quantity of 10,000 pounds or more, with the exception of flammable liquids stored in atmospheric tanks or transferred which are kept below their normal boiling point without the benefit of chilling or refrigeration. The question arises about inter-connected tanks containing flammables.

OSHA, early on, took the position that such tanks were covered by the process safety management standard. Subsequent decisions, as indicated earlier in the presentation, such as Meer decision and other interpretations took the position that such tanks were not covered. This recommendation seeks to insure coverage by OSHA of

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The next recommendation to the Delaware Department of Natural Resources and Environmental Control or DNREC. Insure that regulations developed for the recently enacted Jeffrey Davis Above-Ground Storage Tank Act require that facility management take prompt action in response to evidence of tank corrosion that presents hazards to personnel or the The Jeffrey Davis Act requires DNREC to environment. among other things, develop tank performance standards, corrective action regulations to prevent releases from above-ground storage tanks.

The next recommendation to Motiva, the Delaware City Refinery. Implement a system to insure accountability for mechanical integrity decision making that includes review of inspection reports by subject area experts, such as metallurgists, or equipment design engineers to insure adequate analysis of failure trends and suitability for intended service.

Establish a planning system to insure timely repair of equipment. The Center for Chemical Safety Publication Plant Guidelines Process Technical Management of Chemical Process Safety 3, accountability objectives Chapter and qoals,

presents a model for such a system.

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The next recommendation to Motiva Delaware City Refinery, review the design of existing tankage that contains or has the potential to contain flammables to insure that at a minimum, systems are installed where appropriate and adequately sized and constructed. Emergency venting provided.

The next recommendation to Motiva Delaware City Refinery, insure that management of change reviews are conducted for changes to tank equipment and operating conditions such as tank service and contents, tank peripherals, such as inerting and venting systems.

The next recommendation to Delaware City Refinery, Motiva, revise the refinery hot work program to address the circumstances that require the use of continuous or periodic monitoring for flammables. The final recommendation to Motiva Delaware City Refinery, upgrade the refinery's Unsafe Condition Report system to include the following; designate a manager with decision making authority to resolve issues, establishment of a mechanism to elevate attention to higher levels of management if issues are not resolved in a timely manner, identification of a

means to insure communication of hazards to all potentially effected personnel, work with PACE, which the Paper Allied Industrial, Chemical and Energy Workers Local 2-898 to design and implement the improved system.

recommendation The next t.o Motiva Enterprises, LLC. Conduct periodic audits of storage tank mechanical integrity and design, Unsafe Condition work, management Reports, hot of change and accountability for these systems at Motiva Oil Refineries. Share the findings with the workforce. Another recommendation , communicate the findings and recommendations of this report to the workforce and contractors at all Motiva Refineries.

The next recommendation to the American Petroleum Institute. Work with NACE which the Association of Corrosion National Engineers, international to develop API guidelines to inspect storage tanks containing fresh or spent sulfuric acid at frequencies at least as often as those recommended by NACE. The American Petroleum Institute, API an industry trade association. Ιt membership consists of approximately 400 companies and covers all aspects of oil and natural gas industry including production, through to exploration, refining and

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marketing. API now maintains some 500 industry specific standards covering all segments of the oil and gas industry.

The next recommendation to the American Petroleum Institute revise API tank inspection standards to emphasize the flammable liquid storage tanks with roof or wall holes or thinning beyond minimum acceptable thickness are an eminent hazard and require immediate repair or removal from service.

The next recommendation to the American Petroleum Institute, insure that API recommended practices address the inerting of flammable storage tanks, tanks such sulfuric include as spent circumstances when inerting recommended, design of inerting systems, including proper sizing, appropriate inerting medium, instrumentation, including alarms.

The recommendation NACE next. t.o International. NACE stands for the National Association of Corrosion Engineers. Work with the American Petroleum Institute to develop API guidelines to insure that storage tanks containing fresh or spent sulfuric acid tanks are inspected at frequencies at least as often as those recommended by NACE. was established in 1943 and develops prevention and control standards. NACE International

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has become the largest organization in the world committed to the study of corrosion. NACE has sulfuric acid and corrosion expertise with storage tanks.

The next recommendation to PACE, the Paper Allied Industrial Chemical and Energy Workers International Union Local 2-898. Work with Motiva management on the design and implementation of improved Unsafe Condition Report program. The final recommendation concerns the communication of findings following organizations; the Building Construction Trades Department of the AFL-CIO, International, American Petroleum Institute, NACE National Petrochemical and Refiners Association, Paper Allied Industrial Chemical and Energy Workers International Union. The recommendation communicate the findings and recommendations of this report to your memberships.

That concludes the presentation on the staff recommendations. Are there any questions?

DR. ROSENTHAL: I look at the recommendations and find them generally in order but I have one question and that your recommendation to Motiva. You don't treat with the closure on those recommendations. that my understanding, when you say in light of the findings, that's Motiva Enterprises

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MR. HOLMSTROM: Yeah, we don't currently have any language concerning the insuring, tracking and closure of the recommendation.

DR. ROSENTHAL: Thank you.

CHAIRPERSON MERRITT: Are there any other questions?

MR. BRESLAND: Yeah, I have one. Looking at the recommendations that were made to the American Petroleum Institute, the second recommendation revise API time inspection standards to emphasize that flammable liquid storage tanks with roof or wall holes or thinning beyond minimum acceptable thickness are an eminent hazard and require immediate repair orThe implication on this to me that it only removal. applies to tanks that hold organic liquids or refinery products. I would think it would be more clear in the -- especially in this particular case to include a statement that would mean that it would also apply to like the spent sulfuric tank which has tanks floating liquid, a floating organic liquid on top of it and organic vapors in the vapor space of the tank.

MR. HOLMSTROM: That sounds like a very reasonable suggestion.

CHAIRPERSON MERRITT: How would you reword

1	that and we would consider that an editorial change in
2	the recommendation. How would you reword that?
3	MR. HOLMSTROM: I think instead of
4	flammable liquid, we would include language that
5	addresses the or coverage of tanks that have a
6	flammable vapor space.
7	DR. ROSENTHAL: I believe that's a
8	substantive change more than an editorial change.
9	CHAIRPERSON MERRITT: Okay, all right, so
10	then we can bring that up when we call for a vote.
11	DR. ROSENTHAL: Yes.
12	DR. POJE: And I'm presuming in response
13	to Dr. Rosenthal's comment that you're not and staff
14	wouldn't be in disagreement about taking action beyond
15	the auditing into the implementation of the auditing
16	recommendations.
17	MR. HOLMSTROM: I think that insuring a
18	tracking and implementation of the audit
19	recommendations an improvement to the recommendation.
20	CHAIRPERSON MERRITT: Okay, are there any
21	other questions? Then at this time, I would like to
22	open the floor to those who have registered to
23	comment. There still time, if you would like to
24	still register for comment, please do so. I may have
25	difficulty reading your name. We'd like you to

restrict your comments to three minutes and Mr. Warner, if you would keep time for that, I would appreciate it.

First, we had Marianne McGonagle. I'm sorry if I've mispronounced that. Please -- McGonagle. If you would, please, stand, say your name and come to the mike and tell me who you are affiliated with or what your interest.

Good afternoon and thank MS. McGONAGLE: you for coming here to Delaware to hold this first meeting outside of Washington. My name Marianne McGonagle and for 15 years, until about two months ago, I conducted oversight of the state agencies for the General Assembly, so I'm aware of the very good and very thorough analysis of the Motiva incident that your report has indicated here and the very strong wording on the findings and I'm here to totally support the findings as a member of the public. speaking on behalf of myself but and also the fact that you did make the information available. into a little problem when I first came here and the executive summary was denied to the members of the public but I thank you for releasing the information during the break.

In light of some of the findings, I had

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hoped that the recommendations would be a little stronger in holding Motiva and Motiva LLC responsible for not only informing the workers, but allowing the workers some recourse when they're sent into these dangerous situations that have existed at the And it isn't just the PACE workers, there refinery. are other allied building trades who are involved. And I speak with some knowledge because my son worked for some years as a boilermaker and I'm aware of what when you're sent into perhaps situation; if you don't go, then you don't have a job any more.

So I believe to my mind and there may be something that I'm missing, but to my mind, the report does not accurately address the protections for the workers and what they do when they are -- when some of these conditions are noted and here in Delaware we had some people from the refinery who came and spoke on the radio with their voice muffled who were very critical of Motiva and what happened in -- the actual workers, the people who actually do that work, were very aware of what was happening at Motiva. And you know, we don't always have this thorough follow-through on behalf of the workers. And in my own position as an oversight analyst for the General

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Assembly, I'm aware that we do regulate pressure vessels. I heard Mr. DiPasquale talk about that. But we often don't adequately fund these functions in Delaware and perhaps it might be worthwhile to make a note of this.

We have lots of regulations in place but we don't always have the money to adequately compensate for the services and I'm aware, having done these reviews, that sometimes we skimp on safety in the State of Delaware. And again, thank you for opening this up, for a wonderful report and for including the public in the process and also I want to say that I met the wife of one of the workers and we really owe these people a debt of gratitude, the men who are left with these terrible memories of this horrible accident. Thank you.

CHAIRPERSON MERRITT: Thank you, Ms. McGonagle. Mr. John Flaherty. Please introduce yourself, tell me who you are representing.

MR. FLAHERTY: Madam Chair, my name John Flaherty. I'm a lobbyist for Common Cause of Delaware. It's a non-profit, non-partisan citizen lobby organization dedicated to government reform and accountability. I'd like to echo what Ms. McGonagle said. In addition, I would like to commend the Board

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1 for coming, taking the time to come to Delaware today. 2 I'd also like to thank the staff for a very concise, 3 very understandable report and I'd like to thank all 4 the hazardous duty people that responded to 5 accident and also our government officials that have made this a top priority. 6 7 So one of the speakers talked about Motiva 8 being a scourge on the state and I have to agree with 9 Their history of contempt for the laws and that. 10 for the safety of the workers I think 11 unbelievable, but I would like to thank you all for 12 coming here and bringing this to light here today, 13 thank you. 14 CHAIRPERSON MERRITT: Thank you, Mr. 15 Next, Mr. Alan Muller. Flaherty. 16 Alan Muller. MR. MULLER: My name 17 represent an organization known as Green Delaware 18 which primarily and environment and public health 19 advocacy organization and I would like, first of all, 20 to echo the comments of the previous folks and thank 21 you for being here today. This the first time I've 22 encountered the Chemical Safety Board and I find the 23 entire event very interesting. 24 reaction to what I've I'm

satisfied that you have characterized the accident

correctly, at least in its narrow sense of what happened and why it happened. I'm less satisfied with your recommendations and I would like to make a couple of initial comments and then I have some specific suggestions.

You heard a number of observations this morning from Delaware elected officials and I believe they were made in good faith, but they don't necessarily accurately characterize the nature Delaware's political culture which one that historically has been overwhelmingly subservient to industrial interests particularly the and to petrochemical industry and the history that I've observed and I've lived in Delaware since 1960, that able to respond to a dramatic event that the state receives media attention but the ability of the state to follow through with regulatory initiatives less impressive and because of that, we would look for remedies based on federal regulatory programs of a hopefully would compulsory nature that be delegated to the states.

Secondly, it's no secret that the petrochemical industry and particularly the refining industry, will continue to conduct aggressive legal and political initiatives against improved -- programs

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intended to improve safety and I think it's fair to say that this industry overall and perhaps Motiva and Equilon even more saliently characterized by an attitude and a culture that's caused that industry to be notorious all over the world for the hazards it poses to the health and safety of its neighbors.

So the big picture that there's a very well demonstrated need for an aggressive program to industry bring this under more comprehensive supervision and I can't always do that but I can certainly echo Secretary DiPasquale's comments in that regard. I think it would not be inappropriate to note that Secretary DiPasquale not going to be in his position for very much longer and it seems very likely to me that his successor will be less aggressive than he has been in paying attention to Motiva.

Now, with regard to your recommendations, there very little said there about the issue of secondary containment or diking systems. And I think that the history of tank failures shows that it's not unusual for them to be of a catastrophic nature and the requirement that the impoundment have a volumetric capacity of 110 percent of the single largest tank clearly inadequate. Similarly, the provision of drainage systems negate the effectiveness of the dike

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seems to be common and that clearly needs to be changed and I'm not prepared to suggest design details but common sense would imply that that kind of a system ought to have normally closed valving. It would only be opened when it was necessary to drain storm water and not be open as a matter of course and rely on emergency action to close it.

Thirdly, on that point, it's clearly necessary in my view to consider the dynamics of a tank failure. In other words, we don't want the contents sloshing over the dike. So I would like to see your recommendations upgraded in that regard and I'd certainly be happy to talk to your staff about it in more detail.

With regard to inerting systems and let me go to the precise wording, if I may, this your item 2 which begins on page 11, you make reference to inerting systems installed where appropriate and adequately sized and constructed. There's no mention in here of the need to keep them in continuous operation which might seem like an obvious point but the history of this whole episode suggests the need to belabor things that should be obvious.

Similarly, I don't see any specific mention in here of the need to insure that a tank

constructed of materials that are appropriate for the service that it's in, that the methods of fabrication are satisfactory and so on. And I'm sure that at some level that's covered under various industry consensus guidelines but if you're going to address some of these issues in specific wording, you should do so comprehensively.

Now, with regard to the organizations that you recommend to be involved in this, I see no mention of the public. Ι see mention of industry organizations. I see mention of unions. organization such what about as ours, local planning committees whose existence emergency mandated by other federal statutes and so on and so forth, particularly, although we certainly think that the employees' unions should be involved, there are two problems there, one of which that I frankly think there's been a certain reign of terror maintained in which people fear for their jobs and consequently the labor organizations have not been as aggressive as they might have been on safety issues. I think it's been mentioned that many of the dirtiest and most dangerous jobs tend to be assigned to contractors who may or may not have either effective representation or even necessarily an effective management chain of

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1 command because it's no secret that contracting 2 sometimes used as a means of evading the processes of 3 employment. 4 So I may be talking more than I ought to 5 be talking and I'll pipe down but I would suggest that you make an effort to revise your recommendations so 6 7 as to include a broader participation, so thank you. 8 CHAIRPERSON MERRITT: Thank you for your 9 Next, Mr. Wally Kremer. comments. 10 MR. KREMER: I represent the organization 11 called CCOBH. It's a civic organization of 150 civic associations, 80,000 people in Northern Castle County. 12 13 CHAIRPERSON MERRITT: Did I pronounce your 14 name correctly? 15 MR. KREMER: Yes, correct, thank you. I'm 16 chemical engineer with 41 years of 17 experience being responsible for and approving safety 18 hazards review, risk analysis in the United States and 19 all over the world. I commend you for coming to Delaware and I think your presentation was excellent. 20 21 The total proceedings was carried out very well. And 22 what far in the the see SO report and 23 recommendations look good. As the previous gentleman 24 said, there's probably some details and I would like

to read it and spend some time with it and send in

recommendations if there anything I see.

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I do believe that all industry and all people from the COO to management to supervision to the individual worker need to be empowered, empowered when there a safety or health issue to right now it shuts down and then we decide what to do. And there are industries, companies in the industry that operate that way.

Secondly, there expertise and consultants that can be hired and can provide any knowledge that lacking and can help set up the appropriate system. And I recommend that companies -- the state should look companies that appropriately at are not performing, should be asked to hire those type people. I think the government needs to think about also their own industries. We have the Three-Mile Island incident which we reviewed quite a bit. There are facilities that need to have this information.

The last recommendation I think you ought to consider, I'd like you to do, with official cover letter, transmit the final report to the CEOs of the appropriate petroleum, chemical and forth so appropriate industries and the plant There's an old saying that I guess, I got in the Army, 10 percent of the people never get the word. So we

1 need to make sure officially they are notified. 2 think that puts them on notice on another level that 3 they need to be doing something. 4 I think this may serve as many other cases 5 of one that people can learn from, universities could use it to teach safety and so forth. And again, thank 6 7 you very much for coming to Delaware. We appreciate 8 it and the first letters you send out please send to 9 those companies, petroleum and chemical, just north of 10 the Delaware border. Thank you very much. 11 CHAIRPERSON MERRITT: Thank you for your 12 Mr. John Kearny. And if I've mispronounced comments. 13 your name, please say it correctly. 14 MR. KEARNY: You did, it's John Kearny. 15 CHAIRPERSON MERRITT: Kearny. MR. KEARNY: I'm a staff attorney with the 16 17 Clean Air Council in Philadelphia and the Director of 18 the Clean Air Council here in Delaware. The Clean Air 19 actually the oldest non-Council founded in 1967 20 profit environmental organization in the region. 21 was motivated to come up at the last minute and just 22 few brief comments basically the say а on 23 recommendations. 24 First, I would like to commend you and 25 thank you for coming to Delaware. It does mean a lot

to organizations like Clean Air Council that you took the time to come and I also would like to commend the investigators and, you know, the workers for their findings and their recommendations. You know, I think that an excellent job was done and they're all excellent and I commend you for that.

But I don't think that they went far enough. You know conspicuous by its absence are any recommendations to the EPA or any recommendations that any of these be implemented as regulations that are mandatory for Motiva and the other Motivas like -- refineries like Motiva around the country. Motiva a poster child of why these should be federal standards. This year alone they've had 40 upset reports filed to DNREC, that have amount in 3500 pounds of sulfur dioxide, 40 reports alone this year.

This company has been fined over 20 times by DNREC, EPA going back to 1989. Twenty times, they've been fined and it doesn't stop. It just continues and goes on and on and on. And it shows what voluntary regulation by industry does. It doesn't work. Your recommendations here, they're excellent but they need to be enforced industry-wide. They need to be enforceable industry-wide standards.

That would be my recommendation. I also

1	would like to, you know, digest further the entire
2	report and have some opportunity to submit written
3	comments if possible. I don't know if there's a
4	procedure for that or how long a window open for that
5	but I would appreciate that opportunity if it's
6	available. And again, I would like to close by
7	extending my sincere condolence to the Davis family
8	and the other members workers that were injured and
9	their families as well, because that's the you
10	know, that's the real tragedy here. It's the workers
11	that have to come into plants like this that don't
12	have, you know, notification standards of safety
13	hazards. That's the loss here. It's the communities
14	living around these facilities, the children that live
15	and play around these facilities that have to put up
16	with 40 upset emissions in one year.
17	That's what takes place when there's not
18	federally mandated regulations on this industry.
19	Letting the industry do it on a voluntary basis just
20	does not cut it. I thank you for letting me comment.
21	CHAIRPERSON MERRITT: Thank you. At this
22	time are there any other comments? Please state your
23	name.
24	MR. FLAHERTY: Madam Chair, my follow-on
25	comment which I forgot to mention was there were two

	erected officials here today that did not get
2	recognized that worked very, very hard in the General
3	Assembly to enact the Jeffrey Davis Above-Ground
4	Storage Tank Bill. One of them sitting over here,
5	Senator Dori Connor and Senator Dave McBride, who was
6	here earlier and they did yeoman's work in making sure
7	that this bill did not get killed in committee and was
8	able to get the bill out of committee and enacted into
9	law and signed by the governor, so I wanted to make
10	sure they were recognized here today.
11	CHAIRPERSON MERRITT: Thank you for that.
12	Yes, sure.
13	SENATOR CONNOR: It's kind of nice when a
14	big guy acknowledges a little woman. I appreciate
15	that, John, very much, and please I apologize for my
16	back. There are several members of workforce
17	CHAIRPERSON MERRITT: Excuse me, for the
18	record, would you please
19	SENATOR CONNOR: I'm sorry, State Senator
20	Dori Connor and I represent now with the redraw of the
21	new districts, this facility now within my senatorial
22	district.
23	CHAIRPERSON MERRITT: Thank you.
24	SENATOR CONNOR: Lucky me. Several
25	members of the public that are attending today were

workers on site that day. Several of the injured members are here today and I know that they would like maybe in many ways to remain anonymous but they also need to be acknowledged for their bravery and their persistence to I'm sure call to attention the working situation. But they're to be honored in other ways. They have endured a lot. They have been in many of our thoughts and prayers and also being a widow, I can identify with Mary.

I lost my husband to a health issue. Ι cannot imagine what this like for her and her family. My boys were 14 and 17. She has a 10-year old son. It's a terrible, terrible thing. I applaud you for coming here. Ι applaud the panel for their recommendations and findings. Our hearts and thoughts have to be in your actual findings of what you're going to do and how the company itself going to rectify what happened.

It was a true labor of love to have worked so diligently on the Jeffrey Davis Above-Ground Storage Tank Bill, which came as a recommendation from one of the injured parties but it did not go quite as far as we would have liked. It a step in the right direction. Do I think there will be more oversight? As my one son might say, "You betcha". And I think

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that that's the task ahead of us and with the help of the other 61 members governor and the legislature, we can achieve that goal to make safe for not only the people that work on the site but the people that live around it and for all of our state, it's very, very, very important and I thank you from the bottom of my heart for coming to Delaware. be small but we were first, and we want to remain first on this issue too, to bring this to the issue across this country. Please, like we say, take it on the road, go, make it happen on the federal level. need it to keep coming. Thank you.

CHAIRPERSON MERRITT: At this time would accept written comments although we are going to bring this to a vote, I'll ask the Board whether we We do have other opportunities to are ready to. include many of your comments which are broader, possibly than this well, broader event as and regulatory recommendations. We heard morning from Senator Biden and from Congressman Castle and we hear those statements for recommendations, broader recommendations as well, and we have many opportunities to do that outside of this forum and in addition to this forum.

But we would accept all written comments

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1	following this and take them into consideration in
2	future reports and future actions from the Board as
3	appropriate. So we would appreciate that and we thank
4	you all for your comments. All of this tends to
5	broaden our scope and broaden our perspective and
6	remind us that we have other partners out there that
7	are important to include in our investigations and our
8	proceedings and we appreciate your reminding us of
9	that.
10	MR. JEFFRESS: Board discussion.
11	CHAIRPERSON MERRITT: Yes, at this time I
12	would like to ask the Board if there was anything in
13	the comments that you feel that would postpone our
14	bringing this report, recommendations to a vote.
15	DR. ROSENTHAL: No. My own feeling that
16	a number of the suggestions and recommendations on
17	changes are valid items of attention. However, I do
18	not believe that following our practice of not making
19	recommendations unless they were established
20	reasonably well on explicit findings in the report
21	would allow us to include some of these valid subjects
22	and valid needs for actions into the recommendations
23	on
24	CHAIRPERSON MERRITT: At this time, yes.
25	DR. ROSENTHAL: this report. So to

	make it short, i think we can proceed to raise the
2	issue of what do we want to do with the
3	recommendations arising from this investigation?
4	CHAIRPERSON MERRITT: Okay, there any
5	other comment?
6	DR. POJE: I just would like to echo what
7	Irv said, but also what you said, Carolyn. I believe
8	that there opportunity here for the Board to also
9	think about other matters that have been raised today
10	that may bear some more deliberation and maybe some
11	more research by the Board. But the matters before
12	us, I think, are ripe. I think they are fair for us
13	to consider right now and I certainly would support
14	bringing it to action by the Board.
15	DR. ROSENTHAL: Yes, really once the issue
16	raised, some of the members may have suggestions
17	around these recommendations, so but I think the
18	issue should be raised and I guess one of us has to
19	make a motion.
20	CHAIRPERSON MERRITT: Yes, I would call
21	for a motion.
22	DR. ROSENTHAL: I'll move that we open
23	consideration for the adoption and approval of the
24	recommendations of the report that were raised.
25	DR. POJE: I'll second.

CHAIRPERSON MERRITT: there a second? Seconded by Dr. Poje. At this time, I'd like to open the floor to any comments with regard to the report or its recommendations. Is there anyone who has a comment?

Well, I think two issues DR. ROSENTHAL: were raised in the course of the recommendations. And I'd like to discuss one of them and that in recommendation to Motiva Enterprises LLC Mr. Holmstrom acknowledged, it might be valuable to add on a sentence and I'd put it in after the report as the recommendation now reads, "In light of the findings of this report, conduct periodic audits of the storage tank, mechanical integrity and design, unsafe conditions report, hot work, managers in change and accountability of the systems Motiva Oil Refineries.

I would like to suggest inclusion of the sentence as follows, "Insure the audit recommendations are tracked and implemented", and then of course, keep in the last sentence which share the findings with the workforce. So I would like to make that as a formal suggestion, subject, of course, to my Board members' agreement.

CHAIRPERSON MERRITT: All right, would you

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1	make that in the form of a motion, that we make this
2	change?
3	DR. ROSENTHAL: Yes, I would move that
4	recommendation one to Motiva Enterprises LLC be
5	modified to include the sentence "Insure the audit
6	recommendations are tracked and implemented", period.
7	CHAIRPERSON MERRITT: Fine. there a
8	second?
9	DR. TAYLOR: Second.
10	CHAIRPERSON MERRITT: Dr. Taylor seconds
11	that. I'd like a voice vote, please, to accept that
12	change.
13	(Voice vote.)
14	CHAIRPERSON MERRITT: Thank you. Everyone
15	approves. I approve. Are there any others?
16	MR. BRESLAND: One other suggestion for a
17	change and this, again, refers to the second
18	recommendation that was made to the American Petroleum
19	Institute regarding tank inspection standards. And
20	I'd like to suggest that we change the wording of that
21	recommendation to the following; "Revise API tank
22	inspection standards to emphasize that storage tanks
23	which may contain a flammable vapor with wall or roof
24	holes or thinning beyond minimum acceptable thickness,

are an eminent hazard and require immediate repair or

1	removal from service", basically adding the point that
2	we talked before about tanks containing a flammable
3	vapor.
4	DR. TAYLOR: So we're removing flammable
5	liquid storage.
6	CHAIRPERSON MERRITT: Yeah, right, we're
7	changing it to flammable vapor. Are there any
8	comments on that? Do make that
9	DR. POJE: I second that.
10	CHAIRPERSON MERRITT: Okay, second that
11	and could we have a voice vote?
12	(Voice vote.)
13	CHAIRPERSON MERRITT: With those two
14	changes then, the motion on the floor, could you read
15	that.
16	MR. WARNER: The motion on the floor,
17	Madam Chair, to approve the CSB report and
18	recommendations as presented with the following
19	changes to the recommendations. To Motiva Enterprises
20	LLC and to the American Petroleum Institute, the
21	recommendations as currently revised by the Board now
22	read as follows, "In light of the findings of this
23	report conduct periodic audits of storage tank
24	mechanical integrity and design, unsafe condition

reports, hot work, management of

25

and

change

1	accountability for these systems in the Motive Oil
2	Refineries, insure the audit recommendations are
3	tracked and implemented, share the findings with the
4	workforce". That's Motiva Enterprises LLC, the first
5	recommendation.
6	The second change to the American
7	Petroleum Institute and the second recommendation now
8	reads as follows, "Revise API tank inspection
9	standards to emphasize that storage tanks which may
10	contain a flammable vapor with wall or roof holes or
11	thinning beyond minimal acceptable thickness are an
12	eminent hazard and require immediate repair or removal
13	from service".
14	CHAIRPERSON MERRITT: Okay, this has been
15	a motion has been made and seconded. Are there any
16	other comments? Then I'd like to call for a vote.
17	MR. WARNER: Madam Chair, with your
18	permission, Board Member Andrea Taylor, how do you
19	say, approve or disapprove?
20	DR. TAYLOR: Approve.
21	MR. WARNER: Board Member Rosenthal?
22	DR. ROSENTHAL: Approve.
23	MR. WARNER: Board Member Poje?
24	DR. POJE: Approve.
25	MR. WARNER: Board Member Bresland?

MR. BRESLAND: Approve.

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MR. WARNER: Madam Chair?

CHAIRPERSON MERRITT: I approve. And the vote carried.

MR. WARNER: Motion carried, five, zero.

CHAIRPERSON MERRITT: This has been an important investigation for the Chemical Safety Board and I am pleased that it has reached a conclusion. think the investigative and recommendation teams did an excellent job as has been stated by others who are not as biased as I am. This accident was rooted in three elements; maintenance and the mechanical integrity of tanks, management of hot the performed in the area, and the management οf engineering and process changes within the plant.

Had any one of these elements been handled more effectively, this accident in all probability would now have occurred. This a message not only for Motiva but for all the companies. Process safety procedures are best management practices. Motiva very likely will take or has taken measures to insure that an accident like this won't happen again. They have a compelling reason to act as you've heard. For Motiva, the cost of this accident has not only been the loss of life and eight injuries, and the environmental and

property damage, and the clean-up but also the interruption of business, the adverse publicity, legal bills and so forth.

The monetary cost also will run into the tens of millions of dollars. By comparison, the kinds of safety programs that could have prevented this tragedy are not very costly at all. So Motiva will act, but what about the other companies out there and across the country? For the companies that have not put in place effective safety programs, this concerning issue. This a theme that I intend to return to throughout my chairmanship. Implementing process safety programs not only save lives protects the environment, it's good business.

Companies can directly benefit by adopting view of process safety regulations It evident from the Chemical Safety Board standards. report that Motiva's decision not to include the tank farm within its process safety program had tragic consequences. The Chemical Safety Board's recommendation to the U.S. Occupational Safety and Health Administration that they seek a permanent resolution of this important issue. This change will save lives. The recommendation to expand the process safety management standard will establish a baseline

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of good practice for many hazardous storage tanks.

Under the Clean Air Act OSHA will have a period of 180 days to consider this recommendation. I'll be working immediately to establish a dialogue with Secretary Henshaw on this matter and to bring it to a conclusion and with the other parties that are involved who have made recommendations and have had recommendations made to them.

next public meeting of The the U.S. Chemical Safety Board scheduled tentatively Tuesday, September 17th, in Houston, Texas. of that meeting will be another important industrywide safety issue, the problem of controlling reactive chemical hazards. I'd encourage anyone with interest to visit our website www.chemsafety.gov for the latest information on this meeting. Like today's session, this meeting on the 17th will be broadcast live and without charge on the Internet.

I'd like to thank the investigating team;

Dave Heller, Mike Morris, for their excellent work and for their thorough presentation today and I would also like to recognize Don Holmstrom, who worked closely with the team on developing the safety recommendations and also gave an excellent presentation this morning.

Finally, I'd like to thank the CSB

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1	investigating team, Steve Selk, Kevin Mitchell, Steven
2	Wallace, Giby Joseph, and Shannon Jones, who all
3	participated in the field phase of the investigation.
4	I'd also like to thank those on the CSB staff, who
5	organized this meeting and made sure that it came
6	across and came over smoothly. It's not small task
7	and I appreciate all of their efforts.
8	With that, if there no further comment,
9	the meeting stands adjourned.
LO	(Whereupon, at 12:06 p.m. the above-
L1	entitled matter concluded.)
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