OPERATOR: Welcome to the CSB business meeting conference call. My name is Vanessa and I will be your operator for today’s call. At this time, all participants are in a listen-only mode. Later we will have time for questions. During the question and answer session, if you have a question, you can press * then 1 to enter the queue. Please note that this conference is being recorded. I will now turn the call over to Kristen Kulinowski, Interim Executive.

MEMBER KULINOWSKI: Good afternoon. I now call to order this business meeting of the U.S. Chemical Safety Board, the CSB. Today we meet in open session, as required by the Government in the Sunshine Act, to discuss the operations and agency activities.

I am Kristen Kulinowski, Interim Executive Authority of the Board. Joining me today are Board Members Manny Ehrlich and Rick Engler. Also joining us is Kara Wenzel from the Office of General Counsel, and other members of the staff.

The CSB is an independent, non-regulatory federal agency that investigates major chemical incidents at fixed facilities. The investigations examine all aspects of chemical incidents, including physical causes related to equipment design, as well as inadequacies in regulations, industry standards, and safety management systems.
Ultimately, we issue safety recommendations, which are designed to prevent similar accidents in the future.

Today’s agenda for new business includes the release of the CSB’s Human Capital Plan, as well as the latest CSB Digest, which focuses on Contractor Safety. Hard copies of each document are available on the sign-in table, and we have posted the documents on our homepage at csb.gov.

If you are in the room and wish to make a public comment at the end of the meeting, please sign up using the yellow sheets at the registration table. For those on the phone, you may submit public comments by email to meeting@csb.gov to be included in the official record.

Before we begin, I’d like to highlight safety information. Please take a moment to note the locations of the exits at the side and back of the room. And I also ask that you please mute cellphones so that these proceedings are not disturbed. Thank you.

At this moment, I would like to see if my fellow Members have any opening statements to make before we begin. Member Ehrlich?

MEMBER EHRLICH: Thank you, Dr. Kulinowski. I’d just like to welcome you all today and I’m glad you could take the time to be here and look forward to your comments during the meeting. Thank you for coming.
MEMBER KULINOWSKI: Thank you. Member Engler?

MEMBER ENGLER: Thank you, Dr. Kulinowski. I thought it would be remiss if we did not note the 30th anniversary of the Piper Alpha disaster. So, I’d just like to remark very briefly about that.

Just five days ago, on July 6th, was the 30th anniversary of the Piper Alpha disaster off the coast of Aberdeen, Scotland. Piper Alpha was an oil and gas production platform owned by Occidental Petroleum, a U.S. company. The fire and explosion led to the death of 167 people; 61 escaped and survived. In terms of lives lost, this was the worst offshore oil disaster in history. The total insured loss was $3.4 billion. There was a public inquiry led by Lord Cullen.

The 1990 report that came out of that inquiry found inadequate safety and maintenance procedures by Occidental. But it also led to the overhaul of the U.K.’s safety regulations and reorganization of who investigated offshore safety and related incidents. And also led to the use of the “Safety Case” model as part of the regulatory team.

That incident just reminded me about the essential mission that the CSB has; why this agency is here; why it’s important that we continue to independently investigate chemical incidents and make recommendations, because these incidents are foreseeable, but
they’re also preventable. And that’s what this agency is all about, and that’s why we’re here today.

MEMBER KULINOWSKI: Thank you, Member Engler. I’ll now provide an overview of our three most recent deployments. A full list of our nine open investigations can be found at the sign-in table or on our website.

On January 22nd, 2018, a blowout and fire occurred at Pryor Trust gas well number 1H-9, located in Pittsburg County, Oklahoma. Red Mountain Operating was the lease holder and operator of the well, and Patterson-UTI Drilling Company, LLC, was the drilling contractor.

Our lead investigator and Executive Director of Investigations just returned from a successful meeting with Patterson-UTI last week. Our staff have developed a factual update that is undergoing review by the parties. A meeting with Red Mountain Operating is scheduled for later this month. And we will release the factual update in August.

On April 26th, 2018, an explosion occurred at the Husky Superior refinery in Superior, Wisconsin. The explosion, which occurred in the refinery’s fluidized catalytic cracking, or FCC, unit, injured 20 workers and sent debris into surrounding units. The debris impacted several pieces of process equipment that held
flammable hydrocarbons, including a large above-ground storage tank containing asphalt. The asphalt spilled into the refinery and ignited, creating a large fire and smoke cloud. Because of the explosion, fire, and potential for further releases, a large portion of the town of Superior was evacuated for just short of 24 hours.

Our investigators were on scene within 14 hours of the incident. They have been conducting interviews and collecting documentary and physical evidence over the last several weeks. Our investigative plan includes metallurgical examination of key components of the FCC unit.

It is important to note that the process of testing the key components is especially time-challenging as many of the pieces are covered in burned asphalt. Prior to commencing testing, the pieces must be carefully cleaned, a painstaking and time-consuming process.

During startup activities on Saturday, May 19th, 2018, a reactor at the Kuraray America “EVAL” chemical production facility near Pasadena, Texas, experienced an over-pressurization event. The safety vent valve opened, venting approximately 7,500 pounds of ethylene to the atmosphere, into an area where many contract maintenance personnel were working. A flammable cloud formed and
ignited, causing a large flash fire. Twenty-one contract workers were injured, with one individual remaining in critical condition for several days. The Kuraray facility’s primary products are ethylene vinyl-alcohol copolymers, which are used as vapor and gas barriers in containers and packaging ranging from food storage to automotive gasoline tanks.

Our investigators have been on site since the incident. The team has been conducting interviews, reviewing records, and collecting and documenting other evidentiary materials.

Now I’ll move to an update of activities in our Recommendations Department. The CSB currently has a ratio of 83% recommendations closed and 17% in “open” status. The total number of CSB recommendations issued to date is 815. The status of all recommendations can be found on our website at www.csb.gov/recommendations.

Recommendations that have been recently voted on can be found on the Recommendations page on the “Recent Recommendations Status Updates” page. Each recommendation has a “Status Change Summary” that describes the rationale for the Board vote.

To date in fiscal year 2018, the CSB has closed 38 recommendations. One was closed exceeding our recommended action. Two were closed unacceptably. Twenty-four were closed acceptably,
including acceptable alternative. Two were closed as reconsidered/superseded. And nine were closed as no longer applicable.

Recommendations that were voted on this fiscal year were from the following investigations. Two from the Macondo well blowout. Five from the ExxonMobil refinery explosion. Two from the Tesoro refinery fatal explosion and fire. Eleven from the Chevron refinery fire. Two from the Donaldson Enterprises, Incorporated, fatal fireworks disassembly explosion and fire. Two from Freedom Industries chemical release. Seven from MGPI Processing, Incorporated, toxic chemical release. One from Airgas, Air Liquide, facility fatal explosion. Six from the DuPont LaPorte facility toxic chemical release. One from the Hoeganaes Corporation fatal flash fires. Two from Carbide Industries electric arc furnace explosion. One from Packaging Corporation of America hot work explosion. And five from the Arkema, Incorporated, chemical plant fire.

Member Ehrlich will now provide an update of ongoing audits by the EPA Office of Inspector General. Member Engler will then provide a financial update. Member Engler, please begin. Member Ehrlich. Sorry, Member Ehrlich, please begin, then Member Engler.
MEMBER EHRLICH: Okay. Thank you, Dr. Kulinowski. With regard to the Inspector General updates, as of July 11th, the CSB is currently working with the EPA Office of Inspector General, OIG, on two audits, the first of which is the Fiscal Year 2018 Financial Statement Audit.

The CSB and EPA OIG held the Fiscal 2018 Financial Audit Entrance Conference on May 3rd. CSB continues to work with OIG’s requests for documentation. The report is expected to be completed in early November.

The next, Federal Information Security Modernization Act, or “FISMA.” The CSB and OIG held its Fiscal Year 2018 Entrance Meeting on July the 2nd. The OIG will document CSB security practices related to performance measures as outlined in the Fiscal 2018 Inspector General FISMA Reporting Metrics. The end of the Office of Inspector General field work is expected by August 31st and the final report is due by October the 31st.

MEMBER KULINOWSKI: Member Engler.

MEMBER ENGLER: Thank you. This is the financial update. The CSB received $11 million in funding for FY 2018, which ends this September 30th. We continue to use these funds to conduct investigations, issue recommendations, and engage in outreach.
The CSB requested from Congress just over $12 million in funding for Fiscal Year 2019. We were very pleased that the House recently recommended $12 million, the first significant funding increase proposed in nearly a decade. Although the Senate’s initial recommendation was for $11 million, we are hopeful they will allocate $12 million as they finalize the appropriations bill in the coming weeks.

Regardless of the final number, CSB appreciates Congress’s support for our mission. In both House and Senate committee reports, Congress recognized the importance of CSB’s independent investigations and sharing of safety lessons that can help prevent catastrophic incidents.

MEMBER KULINOWSKI: Thank you, Member Engler. This brings us to the New Business section of the meeting.

Today the CSB is releasing its Human Capital Plan. The CSB’s Human Capital Plan is derived from the agency’s Strategic Plan and focuses on ensuring the agency’s current workforce and future workforce have the proper skills, training, and capabilities needed to move the agency forward. I have a short presentation to provide some additional details on the recently-approved document.

The CSB’s Human Capital Plan was approved by the Board on June 20th and will serve as our human capital strategy from 2018 to 2021.
The newly-approved Human Capital Plan flows directly from the agency’s Strategic Plan, which is also in effect through 2021.

The Human Capital Plan is divided into four distinct sections, including strategic planning, talent management, performance culture, and evaluation.

The Office of Personnel Management, or OPM, provides comprehensive guidance to federal agencies in the development of their human capital plans. The CSB’s Human Resources Director, here with us today, participated in several multi-agency meetings hosted by the OPM team to develop our plan, based on government-wide best practices.

As a micro-agency, the CSB is not required to have a stand-alone Human Capital Plan; however, agency leadership determined that a plan would help us to make strategic decisions about our human capital requirements to meet the agency’s critical mission.

The Human Capital Plan addresses Goal 3 from the agency’s Strategic Plan, which is to create and maintain an engaged, high-performing workforce. To meet Goal 3, agency leadership continues to work with the HR...HR Director to identify the proper skills required for a successful workforce, address current workforce
training needs, and identify needed capabilities in the current and future workforce.

In this chart you can see a high-level overview of the agency’s organizational structure. The Board is governed by five Board Members, although two of the positions are currently vacant. The Executive Management Team is composed of four career staff, including the Senior Advisor, the General Counsel, the Director of Administration, and the Executive Director. Several of these individuals are also here today. The Senior Advisor manages the Office of Congressional, Public and Board Affairs and the Office of Finance. The Director of Administration manages the Offices of Human Resources, Information Technology, and Records Management. Finally, the Executive Director manages the Offices of Investigations and Recommendations.

The mission-critical occupations identified in the Human Capital Plan include the chemical incident investigator, the supervisory chemical incident investigator, and the chemical safety recommendations specialist.

The Human Capital Plan evaluates the demographics of the current workforce and the drivers of the agency’s human capital. The demographics section of the report analyzes the percentage of the workforce eligible for retirement, diversity within the
organization, the average and median ages of the workforce, and the tenure of individuals employed at the CSB.

Several factors were considered when developing the CSB’s Human Capital Plan. Over recent years, the CSB has received feedback and recommendations about its workforce structure from Congressional officials, the Office of Inspector General, external and third-party agency assessments, OPM, the Office of Personnel Management, the Federal Employee Viewpoint Survey, and its internal succession planning activities.

In this chart, you can see the relationship between the Strategic Plan objectives and the individual components of the Human Capital Plan, and the metrics that we use to measure our success. I am not going to read through the chart, but you can find it on page 13 of the hard copies available at the registration table and on our website at csb.gov.

The CSB’s Hiring Plan is another component of the Human Capital Plan. The Hiring Plan: describes the agency’s organizational structure; identifies vacancies and workforce shortages; identifies training and development needs; and describes recruitment and retention strategies.

Finally, the Workforce Plan describes three specific human capital goals for the agency. Goal 1, identify the workforce
needed to fulfill CSB’s mission. Goal 2, effectively recruit a
diverse, high-performing workforce. And Goal 3, build and sustain a
diverse, well-trained workforce through learning and professional
development opportunities.

As I mentioned at the beginning of the meeting, the CSB’s
Human Capital Plan is available this afternoon on the registration
table for those in the room. It has also been posted on the
agency’s website at csb.gov.

I would like to take a moment to acknowledge the very hard
work the staff put into developing this Human Capital Plan,
particularly Human Resources Director Maurice Hawthorne, as well as
others in leadership and staff who engaged in this very important
activity. We are very excited about the opportunity to expand the
investigative and other staff that…whose vacancies we are now faced
with. And this Human Capital Plan gives us the blueprint for moving
forward with that. We will be commencing a recruitment activity for
the investigative positions any moment now…day, hour, minute.

So, thank you for that, and we look forward to bearing
the fruits of these labors in the near future.
I would like now to invite Member Engler to discuss the CSB’s latest Safety Digest, which focuses on Contractor Safety. Member Engler, please begin.

MEMBER ENGLER: Thank you. I can’t quite see that, so, if I go a little too fast, tell me to slow up. Okay. We’re trying to have this so that people at home or work, calling in, can see this on their…on their computer. I’m talking more slowly than normal so that people can find and access this information.

In January, former Chairperson Sutherland introduced the CSB’s “20 Years of Driving Chemical Safety Change Initiative.” As part of this, the CSB team has developed Fact Sheets and Safety Digests to highlight the critical lessons learned in our 20-year history. We have also created a page on our website to consolidate safety resources by topic in one place. And thanks to the staff for doing that.

On the monitor to my right, you can see the CSB’s new advocacy page focusing on these issues. For those of you on the phone, you can follow along on our website, which we hope you already are at, at csb.gov/advocacy.

As you can see on the website, in July we focus on contractor safety. If you click on the box for July, you can find the Safety Digest, that we are releasing today along with additional resources
CSB has found that a strong contractor selection process and contractor oversight policy helps ensure that safety is maintained. Several organizations and industry associations, including the Construction Users Roundtable, the American National Standards Institute, and the American Industrial Hygiene Association, have developed guidelines and recommended practices addressing the use of safety criteria for selecting and prequalifying contractors.

For example, the guidance by the Construction Users Roundtable lists staff qualifications, accident history of a contractor’s safety program, and an owner’s previous experience, as potential criteria for safety prequalification of a contractor.

ANSI Standard Z-10, Occupational Health and Safety Management Systems, also recommends that the contractor prequalification process include consideration of safety criteria for successful contractor safety performance.

CSB has conducted several investigations where insufficient safety requirements for contractor selection and oversight were found to be causal to the incident. CSB’s Digest highlights two such incidents, the 2011 explosion and fire that occurred in a fireworks storage facility near Honolulu, Hawaii, and the 2007 chemical fires that occurred in an underground tunnel in
Georgetown, Colorado.

Printed copies of this digest are on the sign-in table. They can be found on the CSB’s homepage at CSB.gov and on the advocacy page of our website. Thank you.

MEMBER KULINOWSKI: Thank you, Member Engler. At this time, I would like to open the floor for public comment related to the CSB’s activities. Please identify yourself by name and affiliation, and present your comments within three minutes. We will begin with the list of people who signed up...Nobody signed up to speak today. If there’s anyone in the room who wishes to speak, just raise your hand.

For those listening on the phone, you can e-mail your comments to meeting@csb.gov. Anyone in the room?

JEFF JOHNSON: Hi, Jeff Johnson with Chemical & Engineering News. I don’t know whether you want to take kind of questions about the Human Capital in a public meeting, or you want to take them afterwards. I have some questions just to clarify some of the numbers that I don’t quite understand from reading it. And I don’t know how you want to handle this.

MEMBER KULINOWSKI: Let me just say, generally speaking, and
that maybe should have been part of the presentation, is that those numbers were accurate as of the beginning of Fiscal Year 18.
JEFF JOHNSON: Right.

MEMBER KULINOWSKI: So that was October 1st, 2018. We recognize that today the situation is different. The numbers are...

JEFF JOHNSON: For 2017.

MEMBER KULINOWSKI: Right, 17, right. Right, thank you. Yes, last October. So, if there’s a discrepancy between what you understand to be the case today and what you see there, it’s because we...

JEFF JOHNSON: Right.

MEMBER KULINOWSKI: Started in Fiscal...

JEFF JOHNSON: Is there anybody that could give me accurate numbers today? Because that’s what I’m trying to sort of look at. And I know, particularly as we discussed before, I’m interested in the…the investigative staff and what’s going on there [inaudible]. Questions about whether there’s likely to be more hirings and the status of, that kind of thing. But I don’t even have a…I have got so many different numbers from so many different people that I have…I just put question marks here and there. And I’m just curious if I could get some clarification on that.

MEMBER KULINOWSKI: Yeah, we’ll…we’ll get you those numbers. But we are…we are commencing an investigative hiring very, very, very soon.
JEFF JOHNSON: Okay.

MEMBER KULINOWSKI: And, so, those numbers are going to change, hopefully, in the very near future, yet again.

JEFF JOHNSON: Well, it mentioned it in the...in the document, but it didn’t give a...and it gave some figures, some...some time periods that have already passed. So, it made me wonder if you have any target in terms of when you might be able to hire additional investigators, in particular. Is there any data on that now, in terms of recruitment and so forth?

MEMBER KULINOWSKI: Well, we’re going to be putting the ad out any moment.

JEFF JOHNSON: Okay.

MEMBER KULINOWSKI: And then we’re going to be advertising for multiple positions. And we’re...we have a number of slots that we will be seeking, so...

JEFF JOHNSON: Okay. Maybe afterwards you can give me an idea of how many slots there are so I could [multiple voices] wouldn’t have to put in wild figures.

MEMBER KULINOWSKI: Okay.

JEFF JOHNSON: I’m sorry [inaudible].

MEMBER KULINOWSKI: Sorry, I can’t hear you.
JEFF JOHNSON: Oh, it’s...the number is 22 investigators in Fiscal Year 19-21. Does that mean by Fiscal Year 2021, or as soon as ’19? What does that mean?...

MEMBER KULINOWSKI: That is the target staffing level for the investigative positions for the agency.

JEFF JOHNSON: Okay.

MEMBER KULINOWSKI: The sooner that we can achieve that, I think the better that we will be because we’ll be at...then up to full capacity.

JEFF JOHNSON: Okay.

MEMBER KULINOWSKI: Also keep in mind that these numbers are...that the Human Capital Plan is a living document, and as we see changes in the need for...for human resources, this...you know, then... This isn’t a contract. This is a guide.

Seeing no other hands in the room. Vanessa, can we take...see if there are any callers on the phone?

OPERATOR: Yes. If you have a question, please press * then 1 to enter the queue. If you’re using a speaker phone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, you can press * then 1 to enter the queue. I’m standing by for phone questions... I’m sorry, I don’t have any questions at this time.
MEMBER KULINOWSKI: Okay, thank you, Vanessa. And thank you to everyone who has provided a comment or, more accurately, question, for us here today.

I want to thank everyone here today, and on the phone, and staff, as well as my fellow Board Members, for attending today’s meeting. This was my first time presiding over our business meeting as the “Board Member Delegated Interim Executive and Administrative Authority,” which we are short-handing to “Interim Executive.”

So, I appreciate everyone’s input, and look forward to our next meeting. Please check www.csb.gov, the Federal Register, or sign up for email alerts for additional details about the agenda for the next business meeting.

Before we adjourn, I’d just like to see if there’s any further input from my fellow Board Members.

MEMBER EHRLICH: None from me, thank you.

[MEMBER ENGLER shakes his head.]

MEMBER KULINOWSKI: Okay. So, thank you for your attendance, and with that, this meeting is adjourned.

OPERATOR: Thank you. Thank you, ladies and gentlemen, this concludes today’s conference. We thank you for participating. You may now disconnect.