May 13, 2002

Board Action Report

Notation No.: 181

Subject: Investigation of Third Coast Industries Incident

The CSB staff recommends that the board conduct a full investigation of the May 1 incident at the Third Coast Industries near Houston, Texas. The company engages in tolling, blending, and packaging activities. It produces products such as brake fluid, motor oil, transmission fluid, gear oil, hydraulic fluid and antifreeze. There were no injuries reported, however, approximately 100 people had to be evacuated from their homes. Property damage is extensive, including some off-site damage.

Key issues being examined include:

- Possible lack of fire protection engineering, fire hydrants and other fire fighting equipment. The fire spread quickly over a wide area.

- Adequacy of spacing between tanks and diking.

- State of zoning regulations for homes located very near the hazardous chemical facility.

- Effectiveness of audits and inspections performed by government, company, and insurance entities.

- Involvement of tolling operations and audit oversight by companies receiving products in this manner.

- Safety practices at small businesses handling hazardous materials.

The staff believes that current projects can remain on schedule for completion with remaining available human resources.

Approval Date: 5/8/02

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<th>Disapprove</th>
<th>Not Participating</th>
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<td>Isadore Rosenthal</td>
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<td>Gerald Poje</td>
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<td>Andrea Taylor</td>
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