Memorandum

To: Board Members

From: Christopher Warner

Cc: Leadership Team

Subject: Board Action Report – Notation Item 717

Date: October 20, 2009

On September 16, 2009, the Board disapproved Notation Item 717, thereby declining to designate Recommendation 2005-04-I-TX-R4 (to the American Petroleum Institute) (from the BP Texas investigation) with the status of Open-Acceptable Response. Comments on the item from Mr. Visscher and Mr. Wright are attached to this memorandum.

Voting Summary – Notation Item 717

Disposition: DISAPPROVED
Disposition date: September 16, 2009

<table>
<thead>
<tr>
<th>Approve</th>
<th>Disapprove</th>
<th>Calendar</th>
<th>Not Participating</th>
<th>Date</th>
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<tr>
<td>J. Bresland</td>
<td>X</td>
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<td>G. Visscher</td>
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<td>W. Wark</td>
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<td>W. Wright</td>
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Vote Explanation on Notation Item 717, Status Change on Recommendation to the American Petroleum Institute from the BP Texas City Investigation

This notation item is presented to the board as “open acceptable” (emphasis added) mostly to “urge API to modify the standard” to more directly urge the replacement of blowdown drums with flare systems.

The staff memo and the attached correspondence from the former president of API indicates that API considered this issue twice during the revision process of RPI 521, and came to the conclusion that it did. It is not clear to me that asking them to consider it one more time is going to change anything.

Furthermore, the letter from API directly addresses the substance of this issue, explaining that “the standard does not universally urge the replacement of blowdown drums. This is because the use of blowdown drums, when properly designed, maintained and operated, remain a safe and valid practice in specific refinery process configurations. In such configurations, flares may not necessarily be the inherently safer option. For example, in situations where large liquid releases may occur, the use of blowdown drums may be preferable to other options.”

If API and the revised RPI 521 are simply and clearly wrong on their analysis of “safer alternatives,” we can say that (with supporting evidence) and tell API that the standard revision does not meet the recommendation. Alternatively, we can conclude that API has adequately met the intent of the recommendation and vote to close the recommendation. Either, I think, requires a better understanding of the technical issues involved and the basis for API’s decisions. But I do not agree with the notation item, which includes sending API a letter urging them to reconsider it again, when they have apparently already very thoroughly considered, analyzed, and come to a conclusion on.
Therefore, pursuant to its authority, the Board hereby votes to designate Recommendation 2005-04-1-TX-R4 with the status of Open-Acceptable Response.

- I APPROVE this notation item AS PRESENTED.
  - Minor editorial suggestions are marked on attached pages.

- I CALENDAR this notation item for discussion at a Board meeting.
  - Some of my concerns are discussed below or on the attached memorandum.

- I DISAPPROVE this notation item.
  - A dissent is attached.
  - I will not file a dissent.

- I am NOT PARTICIPATING.

Date: 15 Sep 2009

Member: 

COMMENTS:
1) 16 months to ADDRESS ISSUE FOLLOWING LTR FROM API - UNACCEPTABLE DELAY

2) Director of Recommendations Appears to be "modifying" recommendations AFTER the fact by adding additional requirements NOT previously expressed.