Memorandum

To: Board Members

From: Richard C. Loeb

Cc: Leadership Team
    Christina Morgan
    Mark Kaszniak

Subject: Board Action Report – Notation Item 2013-58

Date: October 21, 2013

On September 30, 2013, the Board approved Notation Item 2013-58, thereby designating Recommendations 2003-01-I-MS-R13 and R14, to the Synthetic Organic Chemical Manufacturers Association (from the First Chemical Investigation), with the status of Closed – No Longer Applicable.

Voting Summary – Notation Item 2013-58

Disposition: APPROVED
Disposition date: September 30, 2013

<table>
<thead>
<tr>
<th>Name</th>
<th>Approve</th>
<th>Disapprove</th>
<th>Calendar</th>
<th>Not Participating</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>R. Moure-Eraso</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>9/23/2013</td>
</tr>
<tr>
<td>M. Griffon</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>9/30/2013</td>
</tr>
<tr>
<td>B. Rosenberg</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>9/30/2013</td>
</tr>
</tbody>
</table>
U. S. Chemical Safety and Hazard Investigation Board

RECOMMENDATIONS STATUS CHANGE

SUMMARY

Recommendation Text(s):

CSB Recommendation No. 2003-01-I-MS-R13:

Amend the Technical Specifications in the Responsible Care Management System to explicitly require facilities to identify findings and lessons learned from process hazard analyses and incident investigations in one unit and apply them to other equipment that processes similar material.

CSB Recommendation No. 2003-01-I-MS-14:

Ensure that SOCMA members understand the audit requirements of Responsible Care and accurately identify and address gaps in facility process safety programs.

Board Status Change Decision:

A. Rationale for Recommendation

On October 13, 2002, a violent explosion occurred in a chemical distillation tower at First Chemical Corporation (FCC) in Pascagoula, Mississippi, sending heavy debris over a wide area. Three workers in the control room were injured by shattered glass. One nitrotoluene storage tank at the site was punctured by explosion debris, igniting a fire that burned for several hours.

At the time of the incident, FCC was a member of the Synthetic Organic Chemical Manufacturers Association (SOCMA). At around the time of the issuance of the final report, SOCMA began to require that, as a condition of membership, all its members satisfy the requirements of the Responsible Care performance program operated by the American Chemistry Council (ACC). This program requires companies to have comprehensive management systems in place and to undergo third-party audits to demonstrate conformance.

The CSB investigation found significant gaps at the First Chemical site in the assessment and documentation of process and material hazards, and in the layers of protection present to prevent a single failure from leading to a catastrophic event.

Report: First Chemical Corp. Reactive Chemical Explosion

Recommendation Number(s): 2003-01-I-MS-R13
2003-01-I-MS-R14

Date Issued: October 15, 2003

Recipient: Synthetic Organic Chemical Manufacturers Association (SOCMA)

New Status: R13: Closed – No Longer Applicable
R14: Closed – No Longer Applicable

Date of Status Change: September 30, 2013
As part of its investigation CSB reviewed FCC’s self-evaluation audit for the Responsible Care Process Safety Code conducted in February 2001. The Code required companies to have management practices in place to ensure, among other items – periodic assessment and documentation of process hazards; complete documentation on the hazards of materials; and effective layers of protection to prevent a single failure from leading to a catastrophic one. Although the audit report indicated that a management practice was in place for nearly all code elements, the CSB investigation uncovered significant process safety performance gaps as noted above. Consequently, the CSB issued recommendations to SOCMA to improve both the application and implementation of its Responsible Care program.

B. Response to the Recommendation

In its response, SOCMA indicated that the organization has not participated in the American Chemistry Council’s Responsible Care program since 2004. It members must now participate in SOCMA’s own program, ChemStewards.1 SOCMA also pointed out that as the Responsible Care Management System (RCMS) is legally owned by the American Chemistry Council (ACC), only ACC can make changes to the program. As R13 was impossible for SOCMA to achieve, the Association requested that the CSB close this recommendation.

As for R14, SOCMA explained that the ChemStewards program is an Environment, Health, Safety & Security management system that requires members to identify and address gaps in process safety, as well as undergo third-party audits. The Association also requested that the CSB close out this recommendation.

C. Board Analysis and Decision

Because SOCMA had no authority to amend the Technical Specifications of the ACC Responsible Care Process Safety Code, and replaced it in 2004 with a new program, ChemStewards, which has a focus that is fundamentally different from the ACC Responsible Care Process Safety Code, the Board voted to change the classifications of both 2003-01-I-MS-R13 and R14 to: “Closed—No Longer Applicable.”

---

1 Participation is optional for small companies with $25 million or less in annual sales.