SATA Presentation Regarding

Chemical Facility Anti-Terrorism Standards

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Presentation Outline

• Introduction
• Rule Requirements
• Current Status of the Rule
• Potential Covered Facility
• Summary
On April 9, 2007, the United States Department of Homeland Security (DHS) issued regulations to address the prevention of terrorism involving chemicals - the Chemical Facility Anti-Terrorism Standards (CFATS).
Background: After 9/11/2001, security of chemical facilities became a concern with regard to terrorism. The American Chemistry Council (ACC) lobbied heavily for voluntary security standards. ACC members were required to:

- Complete Security Vulnerability Assessments by 2003 end
- Have Independent 3rd Party verification of security enhancements in 2005
Background: In October 2006, the President signed the Department of Homeland Security Appropriations Act of 2007. Sect. 550 mandated that DHS promulgate regulations establishing risk-based performance standards for security of chemical facilities. That led to CFATS in April 2007:

- CFATS became effective June 8, 2007
- Appendix A was open for comment until May and has not been finalized yet
Goal: To secure facilities that present high levels of security risk from the actions of parties with malevolent intent. This is a different goal than those of either the PSM or RMP programs.

- Intentional vs. Accidental
- Theft of Materials not in PSM or RMP
- Prevention of Catastrophic Releases common to all 3 programs
## CFATS

### GENERAL COMPARISON of RISK MANAGEMENT PROGRAMS

<table>
<thead>
<tr>
<th></th>
<th>PSM</th>
<th>RMP</th>
<th>CFATS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOAL</strong></td>
<td>Protection of Workers</td>
<td>Primarily Protection of Off-Site Public &amp; Envl Receptors</td>
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</tr>
<tr>
<td><strong>FOCUS</strong></td>
<td>Accidental Catastrophic Release</td>
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<td>Intentional Catastrophic Release</td>
</tr>
<tr>
<td><strong>SCOPE</strong></td>
<td>Process</td>
<td>Process</td>
<td>Facility</td>
</tr>
</tbody>
</table>

**Introduction**

**PSM**
- Protection of Workers

**RMP**
- Primarily Protection of Off-Site Public & Envl Receptors

**CFATS**
- Protection of Workers & Off-Site Public Receptors

**Focus**
- Accidental Catastrophic Release

**Scope**
- Process
The CFATS regulations are found in the Code of Federal Regulations, Title 6, Part 27:

6 CFR 27

Chemical Facility Anti-Terrorism Standards

Available at http://ecfr.gpoaccess.gov
Rule Requirements

Distinction between Chemical Facilities and Covered Facilities

Chemical Facility includes any establishment that possesses or intends to possess a quantity of a chemical substance determined by the Secretary to be potentially dangerous.

Covered Facility is a chemical facility determined by the Assistant Secretary to present high levels of security risk [also a facility that failed to report]
All chemical facilities possessing any Appendix A Chemicals of Interest at Screening Threshold Quantities (STQs) must submit a Top Screen.

Proposed Appendix A has 105 chemicals with STQ of any amount including HS, CO, Fluorine, Nitric Oxide.

Excluded facilities:
- Facilities under the Maritime Transportation Security Act
- Public Water Systems
- Treatment Works
- Facilities owned or operated by DOD or DOE
- Facilities regulated by Nuclear Regulatory Commission

Top Screen due 60 days after Appendix A finalized.
• High Risk “Covered” Facilities subject to rule’s risk-based security performance standards

• Facility is high risk if it presents a high risk of significant adverse consequences for human life or health, nat’l security and/or critical economic assets if subjected to terrorist attack, compromise, infiltration or compromise

• No way to know at this time if a facility will be covered
CFATS

- DHS anticipates that vast majority of facilities will screen out
- DHS will notify facilities that are deemed “covered”
- Facility will have 90 days after notification to submit Security Vulnerability Analysis (SVA)
CFATS

• Facility will have 120 days after notification to submit Site Security Plan (SSP)

• SVA must include:
  ▪ Critical assets & layers of protection
  ▪ Assessment of internal & external threats
  ▪ ID of potential vulnerabilities
  ▪ Risk assessment of pot. effects on assets & likelihood of success of attack
  ▪ Analysis of countermeasure strategies

• DHS will place all covered facilities into one of 4 tiers, with one being highest risk & four lowest
• Performance standards will be more robust for the higher risk tiers

• The 19 performance standards include:
  ▪ Securing facility perimeter
  ▪ Securing site assets
  ▪ Screening & controlling access to facility
  ▪ Deterring, detecting & delaying an attack to allow use of countermeasures
  ▪ Securing/monitoring shipment & storage of haz chemicals
  ▪ Deterring theft/diversion of potentially dangerous chemicals
  ▪ Deterring insider sabotage
Deterring cyber sabotage

Monitoring

Training

Background checks on personnel & unescorted visitors (DHS will screen all facility employees against the Govt’s Terrorist Screening Database)

Escalating protective measures during elevated threat periods

Addressing specific threats, vulnerabilities or risks IDed by DHS
CFATS

- Reporting significant security incidents to DHS
- Maintaining records of significant security incidents
- Establishing officials & an organization responsible for security
- Maintaining appropriate records
- Addressing any additional standards DHS may specify
• DHS will inspect facility to confirm compliance with SSP prior to final approval
• Tier 1 & 2 facilities must submit a revised Top Screen, SVA & SSP after 2 years; Tier 3 & 4 facilities submit in 3 years
• Facilities must audit their SSPs annually
• DHS will inspect Tier 1s annually, Tier 2s biannually, etc.
• Alternative Security Programs
  ▪ Tier 4s may submit in lieu of SVA, SSP or both
  ▪ Tiers 1-3 may submit in lieu of SSP but not SVA
CFATS

RULE REQUIREMENTS

• DHS has authority to order facility to cease operations

• Civil penalties are authorized up to $25,000 for each day a violation continues

• Chemical-terrorism Vulnerability Information (CVI) protected from public disclosure
Current Status of Rule

- DHS busy studying railroad facilities and long-haul pipelines & developing guidance documents
- DHS will carefully consider stakeholder input
- Leadership tenure limited to just over 1 year
- DHS prepared to inspect 50 Tier 1 facilities by years end
GAO Assessment of DHS

- The U.S. Government Accountability Office (GAO) believes DHS is falling considerably short of expectations in understanding threats to, and ensuring the security of, the chemical infrastructure.
- GAO claims that DHS has failed to meet five of six performance expectations in the area of science and technology.
GAO Assessment of DHS

• Expectations "generally not achieved" include:
  ▪ Assessment of emerging chemical, biological, and nuclear threats and homeland security vulnerabilities;
  ▪ Coordination of research, development, and testing efforts to identify and develop countermeasures to address chemical, biological, radiological, nuclear, and other emerging terrorist threats; and
  ▪ Coordination of deployment and assessment of nuclear, biological, chemical, and radiological detection capabilities and other countermeasures
Potential Covered Facility
Potential Covered Facility
Summary

- Could be costly, depending on tier and current security status
- DHS estimates cost to implement rule to be $720,000 per facility first 3 years
- Chemical substitution may be good strategy
- Stay tuned for publication of final Appendix A