



Modernized PSM standard and its effects on oil, gas industry

On Aug. 1, 2013, President Obama authorized Executive Order (EO) 13650 - Improving Chemical Facility Safety and Security. This EO was issued due to the large amount of noteworthy industry incidents over the past decade. The EO was tasked to set up a Working Group involving multiple government departments to develop recommendations and action plans to find ways to improve chemical facility safety and security in coordination with owners and operators. The four main topics the EO was tasked to address are:

- Improving operational coordination with states, tribes and local partners.
- Enhancing information collection and sharing.
- Modernizing regulations, guidance and policies.
- Identifying best practices in chemical facility safety and security.

Section 6(a) of the EO directed the Working Group to develop options to "improve chemical facility risk management practices through agency programs, private sector initiatives, government guidance, outreach, standards and regulations." Part of this

task included reviewing current programs, past recommendations and getting feedback from groups involved in safety and security. The comments provided a starting point for discussion of areas that needed to be improved. The stakeholder discussion and comment period focused on the feasibility of the options presented and the effectiveness these options would provide.

In the latest Status Report that was released on June 6, the Working Group released a status report to the president, titled "Actions to Improve Chemical Facility Safety and Security - A Shared Commitment." The Working Group identified multiple priority action areas to modernize chemical facility safety, security policy and regulations in the future. This included reviewing and possibly modernizing OSHA's Process Safety Management (PSM) standard, 29CFR 1910.119, to improve safety and enforcement. The actions to date suggest more intense changes in process safety that will strengthen existing programs and begin to include operations that were once excluded.

The June Status Report states OSHA's PSM standard will be "modernized." It is

expected within one year OSHA will take the following actions, which may have a huge effect on the oil and gas industry:

- Clarify confusing and misunderstood policies. This will include revising the current interpretation of the exemption for "retail facilities" to reflect accurately the original intent of the exemption. OSHA will also revise the current interpretation of chemical concentrations by the PSM standard to describe more clearly what is covered and "align with better established practices."
- Clarify the PSM standard to incorporate lessons learned from enforcement, incident investigation, advancements in industry practices, root cause analysis, process safety metrics, enhanced employee involvement, third-party audits and emergency response practices.
- Expand the scope of the PSM standard by adding substances or classes of substances to the PSM list of highly hazardous chemicals.
- Broaden the coverage and requirements for reactive chemical hazards.
- Eliminate the PSM exemption for oil and gas drilling and servicing operations.
- Require an analysis of safety technol-

ogy and alternatives.

The OSHA PSM standard is over 20 years old and while it has been effective in improving process safety, major incidents

Modernizing the PSM standard will help reduce risk and control hazards with the updated and improved management practices.

have continued to occur. In just the past five years, there have been 27 significant incidents that have resulted in over 75 fatalities, multiple injuries and overwhelming consequences for companies and communities. Modernizing the PSM standard will help reduce risk and control hazards with the updated and improved management practices, and protect workers from previously unrealized chemical hazards.

For more information, call Lisa Hutto at (609) 799-4449, email Lisa.Hutto@Dekra.com or visit www.chilworth.com.

WHAT DOES FR MEAN TO YOU?

In my line of work, it means **my raingear provides flash fire protection**. That's why I only wear ASTM F2733 compliant raingear. The right FR for the job.

PetroWear

Inherent FR powered by DuPont™ Nomex®

NASCO

(800) 767-4288 | Made in North America

3M Scotchlite® Reflective Material DuPont™ Nomex®

Nomex® is a registered trademark of DuPont. It is used under license by NASCO Ind. 3M and Scotchlite are trademarks of 3M.

www.nascoinc.com



We see OPPORTUNITY where others see WASTE

AXYS Industrial Solutions can find secondary markets and better options for your by-products, co-products and hard to place materials. By reviewing your secondary products, operations and low value streams, we focus on finding solutions while you focus on profitability and manufacturing your primary product lines. Let our skilled professionals determine your best options, using our technology and extensive resources to deliver a solution to fit your needs.

AXYS

INDUSTRIAL SOLUTIONS

Where chemistry, technology & ingenuity converge

Visit us at www.axyscorp.com or call 713.863.8588.