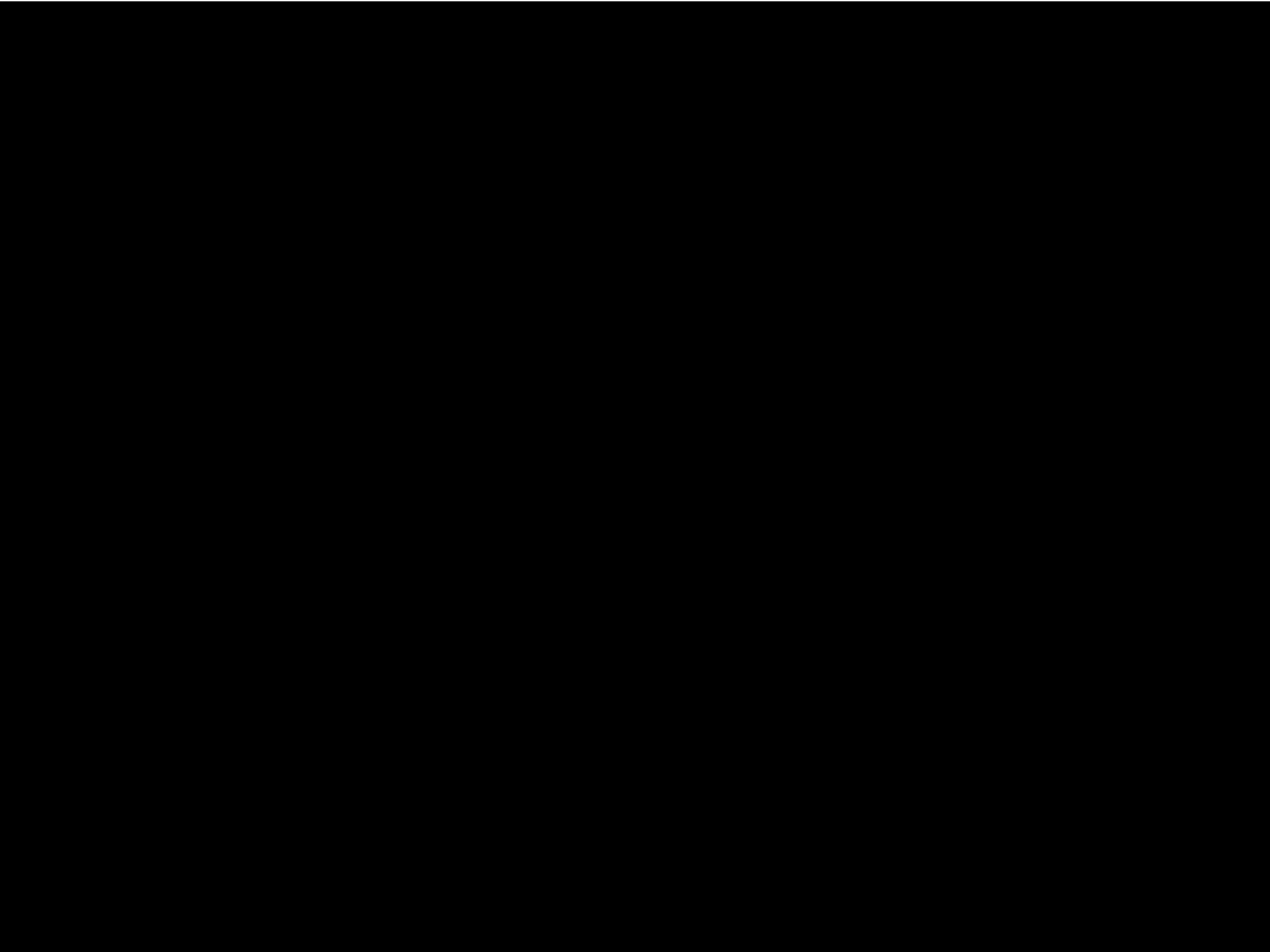




Wade Foster
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Nourish, Replenish, Grow



What Happened

- April 17, 2013: An intense fire led to an explosion from 20-30 tons of ammonium nitrate
- Warehouse/bins were combustible, building was also used to store seed and agrochemicals
- 15 dead (12 first responders and 3 civilians) and 160 injured
- An apartment complex, a nursing home, three schools along with ~150 other buildings were damaged or destroyed
- Estimates of over \$100 million in damage

Chemical Safety Board Investigation

- Ammonium nitrate fertilizer stored in close proximity to combustible materials (grain/seed)
- Company officials' failure to take basic steps regarding safe storage of the chemicals in its stockpile,
- Inadequate federal, state and local regulations regarding the handling of hazardous materials.

Public Perception: Post West



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Top of Mind: Fertilizer

April



Sept



Public Opinion Research

Think the fertilizer industry is responsible for its activities

23%

Public Opinion Research

Think the fertilizer industry is trustworthy

21%

Public Opinion Research

Think the fertilizer industry has
safe and secure operations

20%

Public Opinion Research

Think the fertilizer industry is environmentally responsible

19%

Public Opinion Research

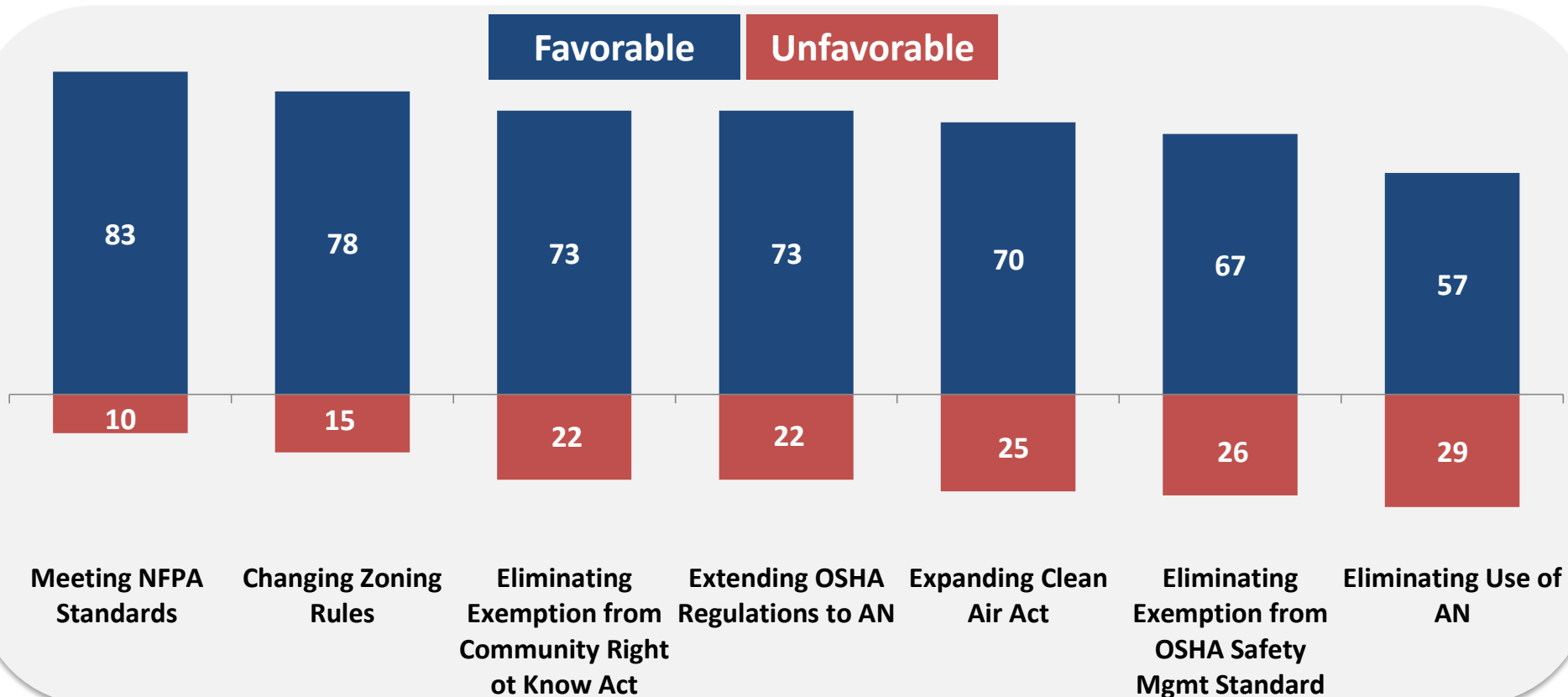
Think the fertilizer industry
cares about workers

18%

Public Opinion Research

SUPPORT FOR REGULATIONS

How strongly do you support or oppose the following proposals for new regulations on the fertilizer industry?



Post West



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Public Response

- Congress:
 - Senate Environment and Public Works Committee
 - House Homeland Security Committee
- President Obama/Regulatory Agencies
 - Executive Order
 - Department of Homeland Security
 - Environmental Protection Agency
 - Occupational Health and Safety Administration
 - Improve coordination, update regulations
- States
- Media

Executive Order 13650, *Improving Chemical Facility Safety and Security*

- Develop plan to improve coordination with state, local and tribal partners
- Enhance Federal coordination, information collection, sharing
- Develop a plan for modernizing key policies, regulations and standards
 - EPA: RMP
 - OSHA: PSM, 1910.109i
- Convene stakeholder meetings to identify and share best practices to reduce safety and security risks

Secure Handling of Ammonium Nitrate Act

- TFI approached Congress in 2005 to seek traceability regulations for AN
- Act signed into law in December 2007
- Advanced Notice of Proposed Rulemaking (ANPR) was issued in October 2008
- Notice of Proposed Rulemaking (NRPM) was issued in August 2011.
- June 14, 2013 TFI sent letter to DHS Secretary Napolitano encouraging final rule

“Subtitle J—Secure Handling of Ammonium Nitrate

“SEC. 899A. DEFINITIONS.

“In this subtitle:

“(1) AMMONIUM NITRATE.—The term ‘ammonium nitrate’ means—

“(A) solid ammonium nitrate that is chiefly the ammonium salt of nitric acid and contains not less than 33 percent nitrogen by weight; and

“(B) any mixture containing a percentage of ammonium nitrate that is equal to or greater than the percentage determined by the Secretary under section 899B(b).

“(2) AMMONIUM NITRATE FACILITY.—The term ‘ammonium nitrate facility’ means any entity that produces, sells or otherwise transfers ownership of, or provides application services for ammonium nitrate.

Fertilizer Industry Response



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Survey Says.. the Best Way to Blunt Negativity:

'Safety is our industry's top priority which is why we are voluntarily taking additional steps to prevent something like the tragedy in West, Texas from ever happening again. We have announced our Fertilizer Code of Practice Initiative which provides uniform safety standards for the handling and storage of fertilizers at agricultural facilities and requires third party inspections. Fertilizer retailers will need to meet stringent requirements for emergency prevention, preparedness and response and they must review these provisions with local emergency responders each year.

Responsible MAG

An industry-supported stewardship initiative that will assist fertilizer storage and handling facilities to achieve and maintain compliance with federal laws and regulations.

Goals

- Prevent another West, TX accident
- Help facilities with regulatory compliance
- Demonstrate responsibility and transparency
- Assure continued access to products
- Enhance safety
- Highlight the industry

Guiding Principles

- Focus on crop nutrient storage and handling
- Compliance with **federal** laws and regs
- Phased-in
- Financially self-sustaining but mindful of costs

Benefits

- ✓ Improves efficiencies, lowers operating costs and improves safety and security
- ✓ Builds trust within communities
- ✓ Fosters recognition within government
- ✓ Establishes credibility with regulators
- ✓ Serves as performance foundation for TFI advocacy

How It Works

Culture of Compliance

Every facility is assessed every three years by a ResponsibleAg credentialed auditor.

Third Party Verification

To assure a high level of reliability, a statistically valid sample of all facilities will receive random verification from an independent auditor every year.

Accountability

Reporting on progress and sharing knowledge, appeals

Fertilizer Suppliers

Supporting and encouraging participation

Governance

- Separate Legal Entity, with ARA and TFI as its members
- Technical Committee with industry experts to revise checklists and curriculum as needed

Board of Directors

- Alicia Duke, Simplot
- Justin Gough, LSB/El Dorado Chemical Company
- Dave Ito, Lyman/Tremont Group
- Pete Mutschler, CHS Inc.
- Tim McArdle, Brandt Consolidated, Inc.
- Rosemary O'Brien, CF Industries, Inc.
- Billy Pirkle, Crop Production Services
- Scott Rawlins, Wilbur-Ellis Company
- Rod Wells, GROWMARK, Inc.

Program Manager

Tim Cansler

202-714-2822

Responsible
MG



Next Steps

- ✓ TFI and ARA Board approvals secured
- ✓ Prime contractor selected (Asmark)
- ✓ Board members named
- Registration website for facilities
- Training Course for Auditors
- Start of Assessments
 - Immediate focus on AN and NH₃ facilities

In the Meantime



Compliance Assessment Tool

The fertilizer industry shares the public's concerns about safe operations of fertilizer facilities. The West, Texas agriculture retail facility explosion has affected the consciousness of Americans, and public support is high for increased facility inspections, transparency and demonstrated community safety.

The Asmark Institute in Owensboro, Ky., has developed an on-line **Compliance Assessment Tool** for agriculture retail facilities to help control risk and support the continual improvement of a retail dealer's compliance effort.



To complete the Assessment Tool:

Step 1: Access the tool by visiting: www.asmark.org/ComplianceAssessmentTool

Step 2: Verify your facility information.

Step 3: Describe your scope of operations.

Step 4: Download and print your document.

Step 5: Complete the worksheet.

Periodic use of this tool will help control risks and support the compliance effort at retail agrichemical facilities for the express purpose of preserving life, property and the environment.



Additional Safety and Security Resources

- MyRMP (<https://www.asmark.org/myRMP/>)
- Transportation Community Awareness and Emergency Response (TRANSCAER)
- Voluntary Security Vulnerability Assessment (SVA)
- Security Educational Materials – “Be Aware for America” and “America’s Security Begins with You”
- National Agronomic Environmental Health and Safety School
- TFI/ARA/OSHA – AN Handling Guidance

Responsible MCG

Questions? Concerns? Comments?

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