

Testimony
House Committee on Education and Labor
Red Cavaney
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Good morning Chairman Miller, Ranking Member McKeon, and members of the committee.

I am Red Cavaney, President and CEO of the American Petroleum Institute (API). API's 400 member companies represent all sectors of America's oil and natural gas industry. I am testifying today on behalf of API and the National Petrochemical and Refiners Association (NPRA). NPRA has 450 members, including virtually all U.S. refiners and petrochemical manufacturers.

Texas City has been a devastating tragedy to the facility's workers, their families, the community, and the company involved. It has also had a profound impact on the refining and petrochemical industry. Words are incapable of fully describing the deep sadness and sympathy we all feel for those who have borne such a heavy burden.

Safety in the industry is a moral imperative and a top priority. Keeping employees, contractors and neighbors safe is, and has been, a goal we continually strive to achieve. It's the right thing to do. It also happens to be good business practice. No accident is acceptable. And, preventing the possibility of a fatal accident like what happened at Texas City is a goal toward which we all work, day in and day out.

In light of the tragic accident and concerns raised by the Baker report, individual companies have been examining their safety procedures in the search for improvements. Collectively, the industry is also taking action. At API, we're reviewing our standards on process equipment and operational safety. We're developing a new recommended practice on the siting of temporary structures that will become final later this spring. We will also be reviewing the Chemical Safety Board's more recent recommendations on safety standards in considering possible new guidance.

API is the industry standards-setting leader and an American National Standards Institute (ANSI) accredited standards development organization. API standards reflect broad input from experts in and outside industry and are regularly reviewed and revised.

Among the 500 standards we now maintain, some 110 are process safety-related. Reinforcing OSHA process safety management rules, these standards cover worker and contractor safety; mechanical integrity of pressure vessels and tanks; fire prevention, protection and suppression; and certification of refinery equipment safety inspectors. There are thousands of API-certified inspectors examining pressure vessels and other process equipment around the world.

In addition to the response from our standards program, API and NPRA members share best practices and evaluate what can be learned from incidents and potential incidents. We are working with OSHA and other groups on these issues. We are also encouraging higher levels of performance through process safety training and through industry safety awards to encourage best-in-class practices. And, we've formed a broad coalition of organizations and industry experts to evaluate ways to improve process safety. Also, the Center for Chemical Process Safety, an organization supported by API and NPRA members, expects to publish a study this year setting forth the lessons learned from process unit accidents, including the Texas City accident. We'll closely review that information, seeking additional guidance.

The devastation caused by the Texas City accident demands of us in industry to look anew at what we are doing and to strive ever further toward additional improvement. That is happening, and it will continue. Texas City and its loss of colleagues, and the pain and grief suffered by loved ones, will not be forgotten. The lessons will remain with us for many, many years.

This concludes my statement, Mr. Chairman. I welcome the opportunity to answer any questions the committee might pose. Thank you.