

*Before the*

**SUBCOMMITTEE ON ENVIRONMENT AND THE ECONOMY**

**OF THE**

**COMMITTEE ON ENERGY AND COMMERCE**

**UNITED STATES HOUSE OF REPRESENTATIVES**

*Statement of*

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*Representing*

**The American Chemistry Council  
And  
The Dow Chemical Company**

*On*

**The Chemical Facilities Anti-Terrorism Standards Program:  
A Progress Report**

**Tuesday, September 11, 2012**

Chairman Shimkus, Ranking Member Green and members of the subcommittee, my name is Tim Scott and I'm the Chief Security Officer of The Dow Chemical Company.

I'm speaking today on behalf of Dow and the American Chemistry Council, the nation's largest chemical industry trade representative.

Ours is a robust and diverse industry -- our nation's largest exporting sector, employing over three-quarters of a million people in the United States, and investing billions of dollars in the safety and security of our facilities.

I'll focus on four points today:

The chemical industry and Department of Homeland Security have a common goal of improving the security profile of the chemical sector, reducing the risk of attack against the industry or the use of chemicals as a weapon, and minimizing the impact of potential threats to our country.

The chemical industry and DHS have made progress using both voluntary industry initiatives and collaborative efforts with DHS to clarify and meet performance standards.

The concerns associated with the implementation of the Chemical Facilities Anti-Terrorism Standards and internal DHS management issues are real. It's promising to hear that progress is being made in both areas. In spite of these distractions the sector has made progress.

And lastly, we need to build on this progress – as respectful partners with a common goal – to achieve an efficient, integrated and sustainable security plan for the chemical industry and our country.

It's time to move on – and in fact accelerate our efforts.

The CFATS concept is fundamentally sound – risk-based and focused on the right priorities – allowing the regulated companies to apply customized security solutions to each unique site and situation for DHS review and approval for compliance with the DHS-established risk-based performance standards.

THAT is the goal – to meet the standards and by doing so reduce the vulnerability and risk of our chemical sector. Too often we fixate on the methods used to achieve the goal instead of the goal itself. No one method, no single silver bullet addresses every site or every situation. The path to success can -- and usually does -- vary with every site or situation.

We are making progress:

The concept of alternative security plans that would expedite the review and approval process – especially for lower tiered sites and companies that have multiple regulated sites – is being tested. DHS recently completed a pilot test of an ACC-developed alternative security plan, and

it proved to be a worthwhile exercise for both industry and DHS -- an excellent example of an open and collaborative effort to improve and expedite the process.

Members of the American Chemistry Council implemented the Responsible Care Security Code in 2002 and over the past decade ACC members have spent nearly 10 billion dollars on security enhancements. The Code is a requirement for membership and is included in independent third party audits of the Responsible Care Management System. Recognition of the value of industry initiatives is being considered as another possible means of fast tracking reviews of site security plans.

Both examples offer an excellent opportunity for a thorough but expeditious review and approval process of the site security plans at CFATS-regulated facilities.

The next generation of the site security plan tool is close to launch, and is both easier and more efficient for the industry and a more valuable and useable source of information for DHS.

Progress has been made, but there are still some hurdles to overcome.

Personnel Surety is critical to any security management program. Most companies had robust background check programs in place well before the creation of the DHS. Screening against the Terrorist Database is a welcome addition to the performance standards, and is – as it should be

- a government responsibility. CFATS is closing this gap but this is an area where we can use your help.

By design CFATS allows the flexibility to address each performance standard using the method best suited to each particular site and situation. The personnel surety performance standard is no exception. As with all the risk-based performance standards there are many ways to comply with this requirement. There is no valid reason to limit the options when many readily-available options would meet the performance standard. In the case of the personnel surety program DHS has not demonstrated the flexibility that is integral to and authorized by CFATS.

In the discussion of TDB screening there is one area in which all security managers agree -- we should know that a person can pass the TDB screening BEFORE we issue an entry card and let a potential threat in the gate -- and we should keep any potential threat out of the site. It is not clear that DHS management is in agreement with this important point, and that is a cause for concern.

Industry and DHS -- have made progress in improving the security of the chemical sector. There have been missteps, but we can make the necessary corrections and achieve successful results. It takes commitment and collaboration. ACC member companies are committed.

We should not return to square one with DHS or change course in mid-stream. Instead we should strengthen the collaboration between DHS and industry with the unified goal of

increasing the pace to build an efficient, integrated and sustainable chemical security process for our country.

Thank you.