CHEMICAL INSECURITY:

America's most dangerous companies and the multimillion dollar campaign against common sense solutions

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Written by Lisa Gilbert, Democracy Advocate, and Elizabeth Hitchcock, Public Health Advocate
with assistance from Komal Karnik and Jeremy Merrill

ACKNOWLEDGEMENTS

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Executive Summary:

Chemical facilities pose a danger to the surrounding community

Across the United States, thousands of industrial facilities use and store hazardous chemicals in large quantities that pose major risks to their neighbors. More than 100 of these facilities would each put at least one million people at risk of injury or death in the event of a chemical release.[i]

Accidents at chemical and industrial facilities are common. From 2000 to 2009, companies, employees and concerned citizens reported more than 338,000 accidents involving oil or chemicals to the National Response Center (NRC), or more than 33,000 incidents every year.[ii] These accidents range from an oil sheen to a major disaster that resulted in casualties.

After the September 11 attacks, it became increasingly apparent that these facilities pose a security threat, as they could become the target of a terrorist attack. A report by the Army Surgeon General ranked an attack on a chemical plant second only to a widespread biological attack in magnitude of the hazard to the public.[iii]

These are often unnecessary dangers because safer alternatives are available

Some facilities have made major progress by switching to the use of safer chemicals and processes that pose less of a threat to surrounding communities in the event of an accident. Soon after September 11, 2001, for example, the Blue Plains Sewage Treatment Plant in Washington, DC switched from using and storing chlorine gas and sulfur dioxide on-site to using sodium hypochlorite bleach in its processes.

On November 2, 2009, Clorox announced that it will, over the next several years, convert its seven U.S. plants to use high-strength bleach rather than chlorine in the manufacturing of household bleach.[iv] The company began with its Fairfield, Calif., plant and will switch its six other U.S. plants over the coming years.[v]

Unfortunately, most industry organizations have placed emphasis on increasing physical site security measures. Hiring more guards, building higher fences, and placing more lights may all be part of a good security plan, but this does not actually reduce the threat to the community.

Switching to safer chemicals and processes not only reduces the chemical hazard to the community, but also reduces the cost of physical security and the attractiveness of the facility as a target for attack. Senate Homeland Security and Government Affairs Committee Chair Joseph Lieberman has called safer chemicals and processes "*the only foolproof way to defeat a terrorist determined to strike a chemical facility.*"[vi]

A multimillion dollar campaign against common sense solutions

The findings in this report show how the outsized influence of corporate interests in the political process has kept common sense chemical disaster prevention measures from becoming law. Comprehensive chemical security legislation has been vigorously opposed by the corporations that own and operate some of the most dangerous facilities in the country. It now faces an uncertain pathway through the Senate.

U.S. PIRG examined the Risk Management Plans that facilities using and storing high hazard chemicals are required to file with the U.S. Environmental Protection Agency in order to determine the U.S. facilities that pose the greatest danger to the surrounding community in the event of an attack or accident. We then determined the parent companies that own and operate facilities putting the greatest numbers of people in jeopardy. That analysis identified the 14 most dangerous companies in the U.S.

We then researched those corporations' lobbying expenses, both how much they spend and who is participating in the "revolving door" of lobbying employment. We also reviewed campaign

contributions from the company CEOs and senior executives, their political action committees, and their affiliated trade associations.

Key Findings:

- The fourteen companies endangering the most people in the event of an accident or attack on one of their facilities are: Clorox, Kuehne Chemical, JCI Jones, KIK Custom Products, DuPont, PVS Chemicals, Olin, DX Holding, Solvay, Valero, Occidental Petroleum, Honeywell, Dow Chemical, and Sunoco. (Table 1).

- These 14 parent companies own 163 facilities in 37 different states and Puerto Rico (Appendix A).

- The facilities owned by The Clorox Company, Kuehne Chemical, and JCI Jones Chemical each put more than 12 million people at risk.

- These fourteen companies and their affiliated trade associations spent $69,286,198 lobbying the committees with jurisdiction over chemical security legislation in 2008 and 2009 —Energy and Commerce and Homeland Security in the House, and Environment and Public Works and Homeland Security and Government Oversight in the Senate.

- The political action committees (PACs) of these fourteen companies and the PACs of their affiliated trade associations gave $2,187,868 in the 2008 election cycle and the 2010 cycle to date directly to the campaigns of members of the committees of jurisdiction over chemical security legislation.

- These fourteen companies and their affiliated trade associations employ 20 'revolving door' lobbyists who previously staffed the committees of jurisdiction over chemical security and toxics before becoming lobbyists on those same issues.

Recommendations:

- Congress should pass and the President should sign comprehensive chemical security legislation that covers all facilities using and storing high hazard chemicals. Such legislation should require that all high risk facilities assess their ability to reduce the consequences of an attack or accident at a facility to the community, and should give the federal government the ability to require implementation of those methods at the most dangerous facilities.

- Congress should move a wide range of good government reforms to help put the voters on equal footing with corporations. These reforms include: strong corporate governance changes like the Shareholder Protection Act (H.R. 4790), which would require corporations to get prior approval of their political expenditures from their shareholders; revolving door reforms to keep government workers from "cashing in" on their public service in lobby firms; and a voluntary small donor focused public financing system which would allow citizens to reclaim the process by reducing the access and influence of large corporate donors.

Introduction:

One hundred and ten million Americans live in the shadow of a potential catastrophic poison gas release from one of 300 chemical facilities. As we saw with the September 11 attacks, conventional fence-line security cannot prevent a successful attack and its devastating consequences. Such an attack or accident would likely result in more casualties than the September 11 attacks or the 1984 Bhopal disaster.

Across the U.S., thousands of chemical facilities use and store large quantities of high hazard chemicals, of which chlorine or sulfur dioxide gas, hydrofluoric acid, and anhydrous ammonia are the most common and the most dangerous. These facilities put thousands of people in these workplaces and living in the surrounding communities at risk in the event of a release.

The good news is that more secure chemical processes already exist that can replace virtually all of these hazards. More than 280 U.S. chemical facilities—from drinking water treatment plants to oil refineries—are already using safer chemicals or processes, proving that we don't have to put communities at unnecessary risk.

In November 2009, the House of Representatives passed H.R. 2868-*The Chemical and Water Security Act* -bringing us closer to protecting the millions of Americans who live and work in the danger zones around these facilities. Unfortunately, with very little time remaining in the 111th Congress, the bill faces a vigorous lobbying effort in the Senate and campaign spending by corporations operating the most dangerous facilities in the nation and their trade associations, and therefore an uncertain fate.

Two types of facilities make up this dangerous subgroup of chemical facilities: oil and gas companies and conventional chemical companies.

Currently, both groups spend millions influencing elected officials to stop sensible chemical security reforms before they gain traction. This money, spent directly by these fourteen companies and by the four trade associations many of the companies belong to, comes in the form of millions contributed to reelection campaigns and spent on lobbying. In addition, many of these fourteen companies' lobbyists are so-called "revolving door" participants who spent numerous years working for and building relationships with members of the relevant House and Senate committees before becoming lobbyists to those same committees and the members who sit on them.

These fourteen companies' spending is focused disproportionately on the members of the House Energy and Commerce committee, which shared jurisdiction for the *Chemical and Water Security Act* (H.R. 2868) with the House Homeland Security committee. The Homeland Security committee received slightly more than the average contribution from these fourteen companies. Their spending is also focused disproportionately on the Senate committees of jurisdiction, the Environment and Public Works and the Homeland Security and Government Affairs Committees.

In spite of heavy lobbying from the industry, the House of Representatives passed *The Chemical and Water Security Act of 2009* (H.R.2868) in November 2009. Progress on this important chemical security bill, which will require thousands of facilities where a toxic release endangers the surrounding community to assess their ability to "reduce the consequences of a terrorist attack" by switching to safer alternative chemicals or processes, faces an uncertain fate in the U.S. Senate due to lobbying by these fourteen companies.

A wide range of reforms would help put the voters on equal footing with corporations like these fourteen companies. These include strong corporate governance reform like the Shareholder Protection Act (H.R. 4790), which would require corporations to put their political expenditures up for a vote by their shareholders, and revolving door reforms to keep government workers from "cashing in" on their public service in lobby firms. In addition, over the long

term we need small donor focused public financing of our election campaigns, which would allow citizens to reclaim the process of America's elections.

With sensible measures like these, we can put democracy back in the hands of the people, and remove it from the hands of big corporate interests like these fourteen companies.

The Fourteen Companies That Put the Greatest Number of Americans at Risk

When Congress passed the Clean Air Act Amendments of 1990, it required EPA to publish regulations and guidance for chemical accident prevention at facilities using extremely hazardous substances. EPA established the Risk Management Program, requiring companies of all sizes that use certain flammable and toxic substances to develop a Risk Management Plan (RMP), including a hazard assessment that details the potential effects of an accidental release and an evaluation of worst-case scenarios.[vii] These scenarios estimate how far a chemical could travel off-site and still maintain toxic concentrations in certain weather conditions and report the number of people living within that distance, known as the "vulnerability zone."[viii]

We reviewed the RMPs submitted by facilities using hazardous chemicals and found that a single company owning many facilities or a single facility in a large population center can endanger thousands and even millions of people. Specifically, we found:

• The fourteen companies endangering the most people are Kuehne Chemical, JCI Jones Chemical, KIK Custom Products, PVS Chemicals, DX Holding Company, Solvay, Valero, Sunoco, The Clorox Company, Dow Chemical, Olin, Occidental, DuPont, and Honeywell (Table 1).

• These 14 parent companies own 163 facilities in 37 different states and Puerto Rico (Appendix A).

• The Clorox Company, Kuehne Chemical and JCI Jones Chemical each own and operate facilities that together put more than 12 million people at risk .

TABLE 1—Parent Companies Whose Facilities Put the Greatest Population Numbers in Jeopardy.

Company	Number of Facilities	Residential Population in Danger	Industry	Chemicals Used/Stored	Trade Association'
Clorox	7	13,392,600	Polish and Other Sanitation Good Manufacturing	Chlorine	
Kuehne Chemical	2	12,480,000	Alkalis and Chlorine Manufacturing	Chlorine	ACC
JCI Jones	11	12,152,601	Alkalis and Chlorine Manufacturing	Chlorine, Sulfur dioxide (anhydrous)	ACC
KIK Custom Products	11	9,693,947	Polish and Other Sanitation Goods Manufacturing	Chlorine, Butane	
DuPont	27	9,654,429	Chemical Product Manufacturing	Chlorine, Phosgene, Oleum, Ammonia (anhydrous), Hydrocyanic Acid, Sulfur dioxide (anhydrous), Hydrofluoric acid	ACC, NPRA
PVS Chemicals	3	7,878,104	Inorganic Chemical Manufacturing	Chlorine, Sulfur dioxide (anhydrous)	ACC
Olin	10	7,159,702	Alkalis and Chlorine Manufacturing	Chlorine	ACC, NPRA
DX Holding	22	7,111,289	Chemical and Allied Products Merchant Wholesalers/Manufacturing	Chlorine, Sulfur dioxide (anhydrous)	
Solvay	5	5,906,381	Petrochemical Manufacturing, Inorganic Chemical Manufacturing, Plastics Material and Resin Manufacturing	hydrogen fluoride/ hydrofluoric acid,Sulfur Trioxide, Methyl chloride, Trifluorochloroethylene	ACC, SOCMA
Valero*	20	5,617,707	Petroleum Refineries, Ethyl Alcool Manufacturing	hydrogen fluoride/ hydrofluoric acid; Anhydrous ammonia, Hydrogen Sulfide, Butane	NPRA
Occidental Petroleum**	14	5,541,725	Alkalis, Chlorine, Chemicals, Plastics Manufacturing	Chlorine, Ammonia (anhydrous), Oleum, Hydrogen chloride (anhydrous), Vinyl chloride	NPRA, API, ACC
Honeywell	11	5,501,456	Chemical/Plastics Manufacturing	Hydrofluoric acid, Ammonia (anhydrous)	ACC, API, NPRA
Dow Chemical***	42	5,285,321	Chemical Manufacturing	Chlorine, Sulfur dioxide (anhydrous), Ammonia (anhydrous), Hydrogen chloride (anhydrous), Phosgene	ACC, SOCMA, API, NPRA
Sunoco****	10	4,440,208	Petroleum refinery, Plastics Material and Resin Manufacturing, Chemicals:	Butane, Flammable Mixture, Ethylene Oxide, Propylene, Butane,hydrogen fluoride/ hydrofluoric acid	ACC, API, NPRA

*Information from four unavailable facilities not included

**Excludes remote gas plants

***Includes subsidiary Union Carbide Inc., Rohm and Haas, and joint venture Dow-Corning

****Information from five flammable worst-case scenario facilities not included

Accidents at chemical and industrial facilities involving highly hazardous chemicals are more common than most Americans would imagine.

From 2000 to 2009, companies, employees and concerned citizens reported more than 338,000 accidents involving oil or chemicals to the National Response Center (NRC), or more than 33,000 incidents on average every year.[ix] These accidents range from an oil sheen to a major disaster that resulted in casualties.

The rare incidents of perilous toxic chemical releases have the potential to kill or seriously injure hundreds, if not thousands, of people. Each year, companies report more than 25,000 fires, explosions, or spills involving hazardous chemicals. Annually, at least 1,000 of these events involve deaths, injuries, or evacuations.[x]

Recent events involving hazardous chemicals have caused fatalities, serious injuries, large-scale evacuations, and significant property damage.

In August 2008, an explosion at the Bayer chemical facility in Institute, West Virginia killed two employees. An April 21, 2009 memo by the staff of the House Energy and Commerce Committee concluded that, had the Bayer accident involved a 37,000 pound tank of methyl isocyanate (MIC) located just 80 feet from the blast, the accident could have "eclipsed the 1984 [Bhopal] disaster in India." The Bayer plant in Institute is the only remaining U.S. facility that still uses and stores bulk quantities of MIC, the same gas that eventually killed 20,000 people at Union Carbide's Bhopal plant in India.[xi]

On the eve of Thanksgiving Day 2006, the CAI chemical facility in Danvers, Massachusetts exploded in the early morning hours with the force of a 2,000 ton bomb. The potent explosion sparked a 10 alarm fire and drew rescuers and firemen from more than 30 surrounding towns and cities. After the explosion, then-Governor Mitt Romney said it was a "Thanksgiving miracle" that no one was seriously injured or killed.[xii]

One month earlier in Apex, North Carolina, a hazardous chemical storage and treatment facility ignited in flames, prompting the evacuation of more than 17,000 residents as chemical laden yellow smoke threatened nearby residents.[xiii] Fortunately, light rain and low winds suppressed the chemical cloud and gave residents enough time to safely evacuate the area.

When hazardous chemical releases occur, workers are often the first exposed. In March 2005, multiple chemical explosions at the BP oil refinery in Texas City, Texas killed 15 employees and injured many more.[xiv]

Deliberate Chemical Releases:

The potential for accidental chemical releases has long threatened workers and nearby communities. September 11, 2001 elevated a new and more sinister threat; that terrorists intent on causing heavy casualties would target chemical facilities to deliberately release highly hazardous chemicals.

The Army Surgeon General ranked an attack on a chemical plant second only to a widespread biological attack in magnitude of danger to public health and safety.[xv] Appearing before the Senate Homeland Security Committee in January 2005, President Bush's former Deputy Homeland Security Advisor Richard Falkenrath testified that "[o]f all the various remaining civilian vulnerabilities in America today, one stands alone as uniquely deadly, pervasive and susceptible to terrorist attack: toxic inhalation hazard (TIH) industrial chemicals."[xvi]

Even before September 11, 2001, federal agencies warned of deficient security and safety programs at chemical facilities. The Agency for Toxic Substances and Disease Registry (ATSDR) commented on the deplorable security at chemical facilities in a 1999 study of two communities, the Kanawha Valley in West Virginia and Las Vegas, Nevada. The study assessed multiple chemical facilities in these communities and found each facility poorly prepared for a deliberate attack. ATSDR also remarked that the toxic chemicals stored at the

assessed facilities provide "effective and readily accessible materials to develop improvised explosives, incendiaries and poisons."[xvii]

EPA came to a similar conclusion in its February 2000 Chemical Security Alert. The Agency voiced concern that the accidental or deliberate release of a highly hazardous chemical from a facility threatened public safety. EPA's proposed solution to reduce these threats involved deploying new and improved designs and processes to replace hazardous substances with safer alternatives wherever possible.[xviii]

A number of investigative reports conducted after September 11th have uncovered lax security at more than 100 chemical facilities nationwide. In January 2007, an investigative reporter for the *Pittsburgh Tribune* penetrated 48 chemical plants and rail lines to reach hazardous chemicals. These chemicals threatened densely populated parts of Seattle, Atlanta, Pittsburgh, Las Vegas, San Francisco, and New Jersey.[xix]

Safer Alternatives are Available for Many of these Fourteen Dangerous Companies

Some facilities have made major progress by switching to the use of safer chemicals and processes that pose less of a threat to surrounding communities in the event of an accident. Soon after September 11th, for example, the Blue Plains Sewage Treatment Plant in Washington, DC switched from using and storing chlorine gas and sulfur dioxide on-site to using sodium hypochlorite bleach in its processes. Whereas chlorine gas from the Blue Plains facility could have enveloped downtown Washington, Anacostia, Reagan National Airport, or Alexandria in a toxic cloud, sodium hypochlorite bleach is far more benign if accidentally released.[xx]

On November 2, 2009, the Clorox Company announced plans to begin modifying manufacturing processes in its U.S. bleach operations by transitioning from chlorine gas to high-strength bleach as a raw material for making its namesake bleach.[xxi] In June 2010, the Fairfield, California Clorox facility deregistered from the RMP program.

The Favors and the Funding that Put Corporate Interests First

Big corporations and special interests flood Washington, DC with money every year. Business as usual in DC means campaign contributions, fundraisers, and hundreds of lobbyists for every member of Congress. In addition, the words of the lobbyists are heeded with more alacrity due to the rapidly spinning revolving door system in DC, as many of them move back and forth between Capitol Hill jobs and lucrative lobbyist influence peddling posts.

Everyday Americans cannot compete with the corporate special interests. The outsized influence that these fourteen companies wield to keep Washington from passing sensible reforms to protect citizens is mirrored again and again on different issue sets ranging from healthcare to Wall Street reform.

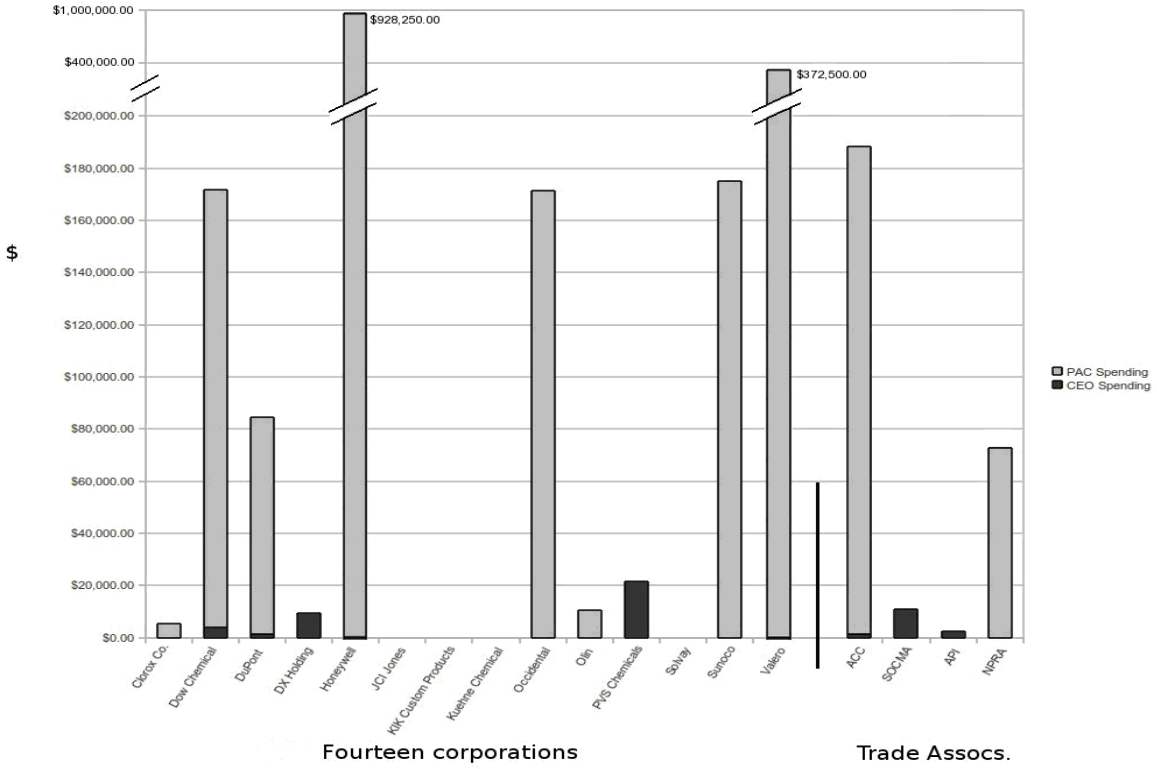
Change is necessary. There is a real need for these reforms to give regular citizens a voice equal to or louder than corporate America in the political sphere, as well as systemic changes to limit corporate power in democracy over the long term.

The Funding

One of the most pervasive means that corporate interests use to reach the ears of our elected officials is by helping to bankroll their campaigns. Companies do this either by setting up political action committees (PACs), by giving money to trade associations which set up PACs, by their CEOs and senior officials directly contributing and bundling contributions at fundraisers they host for politicians, or by making independent expenditures.

In this report we looked specifically at the first two categories: PAC spending from these fourteen companies and their affiliated trade groups and CEO giving and fundraising, focusing on PAC breakdowns. (Table 2)

TABLE 2 – Campaign Spending of the Fourteen Most Dangerous Companies and Affiliated Trade Associations (2008 cycle-2010 cycle to date) Contributions to Members of Committees of Jurisdiction



PACs

These fourteen companies PACs spent $909,180 in 2008 in campaign contributions to members of the House committees of jurisdiction—Energy and Commerce committee and Homeland Security committee- and they have spent $689,248 on those committees so far in the 2010 election cycle.

Total spending is $1,598,428 over these two cycles to date.

In the Senate, they gave $414,700 in 2008 in campaign contributions to Senators on the Senate committees of jurisdiction-Senate Environment and Public Works and Homeland Security and Government Affairs.[xxii] In the 2010 election cycle to date, $160,740 has already been contributed to Senators on those committees.

More of the campaign giving by these fourteen companies goes to the committees with jurisdiction over legislation regulating dangerous chemical facilities. For instance, when we look at PAC spending, we see that the Energy and Commerce committee receives almost 30% more contributions from these fourteen companies than the rest of the House.

Trade Associations

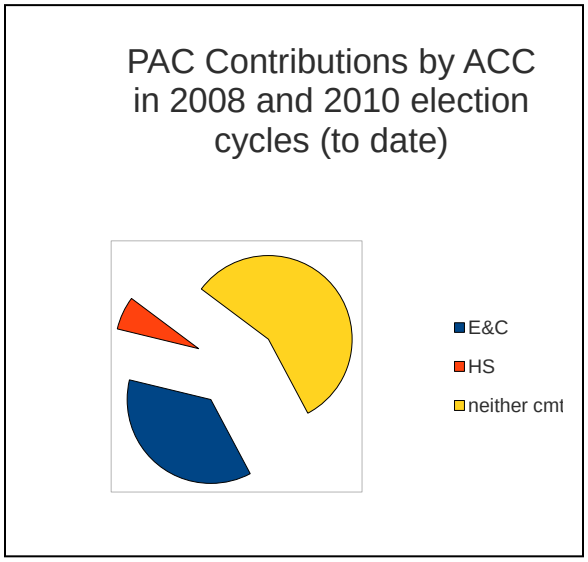
Trade associations and the PACs they operate are another important way that corporations influence Members of Congress with funding.

Several large trade associations– the American Chemistry Council and the National Petroleum Refiners Association – made significant contributions through their PACs to the committees that control chemical safety in both 2008 and 2010.

The American Chemistry Council and the National Petroleum Refiners Association gave 40% of their campaign contributions to members of the Energy and Commerce and Homeland Security committees, while together those committees only make up 20.2% of the House.

And when we look at the ACC alone we find that the giving is skewed to an even greater extent; 54% of their campaign gifts went to Energy and Commerce committee members.

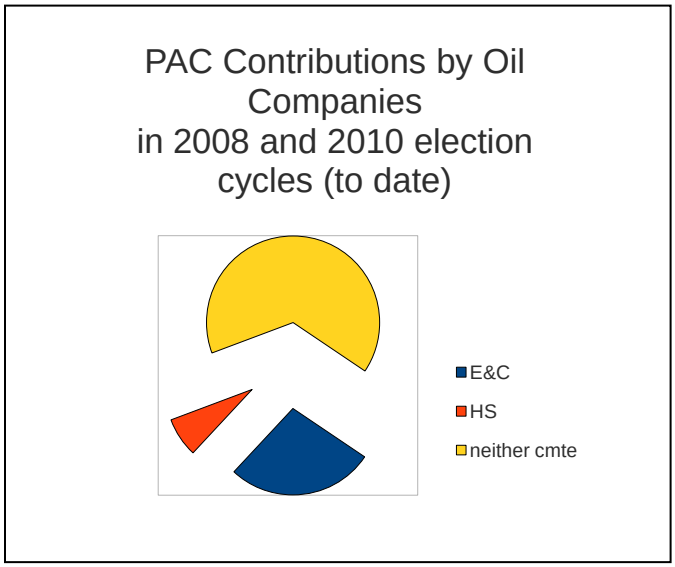
CHART 1:2008 and 2010 PAC Contributions by ACC to House Committees of Jurisdiction



Breaking the numbers down to look specifically at the contributions by the three oil companies among these fourteen companies—Valero, Sunoco and Occidental, we find a very strong correlation between committees with jurisdiction over oil refineries and campaign spending by the corporations.

In the 2008 election cycle and the 2010 cycle to date, the three oil companies' PACs contributed double to the Energy and Commerce committee versus the rest of the House.

CHART 2 : 2008 & 2010 PAC Contributions from the oil companies among the fourteen companies to the House Committees of Jurisdiction



In total, these fourteen companies and their trade associations' PACs contributed more than two million dollars to members of the House and Senate committees with jurisdiction over protecting the public from dangerous chemical facilities in the 2008 and 2010 election cycle to date.

The Favors

Another large component of the business-as-usual culture of Washington is the money that corporate interests spend lobbying elected officials. This money is particularly well invested by corporate interests because many of these lobbyists are also able to use their existing insider connections with politicians to elevate their voices.

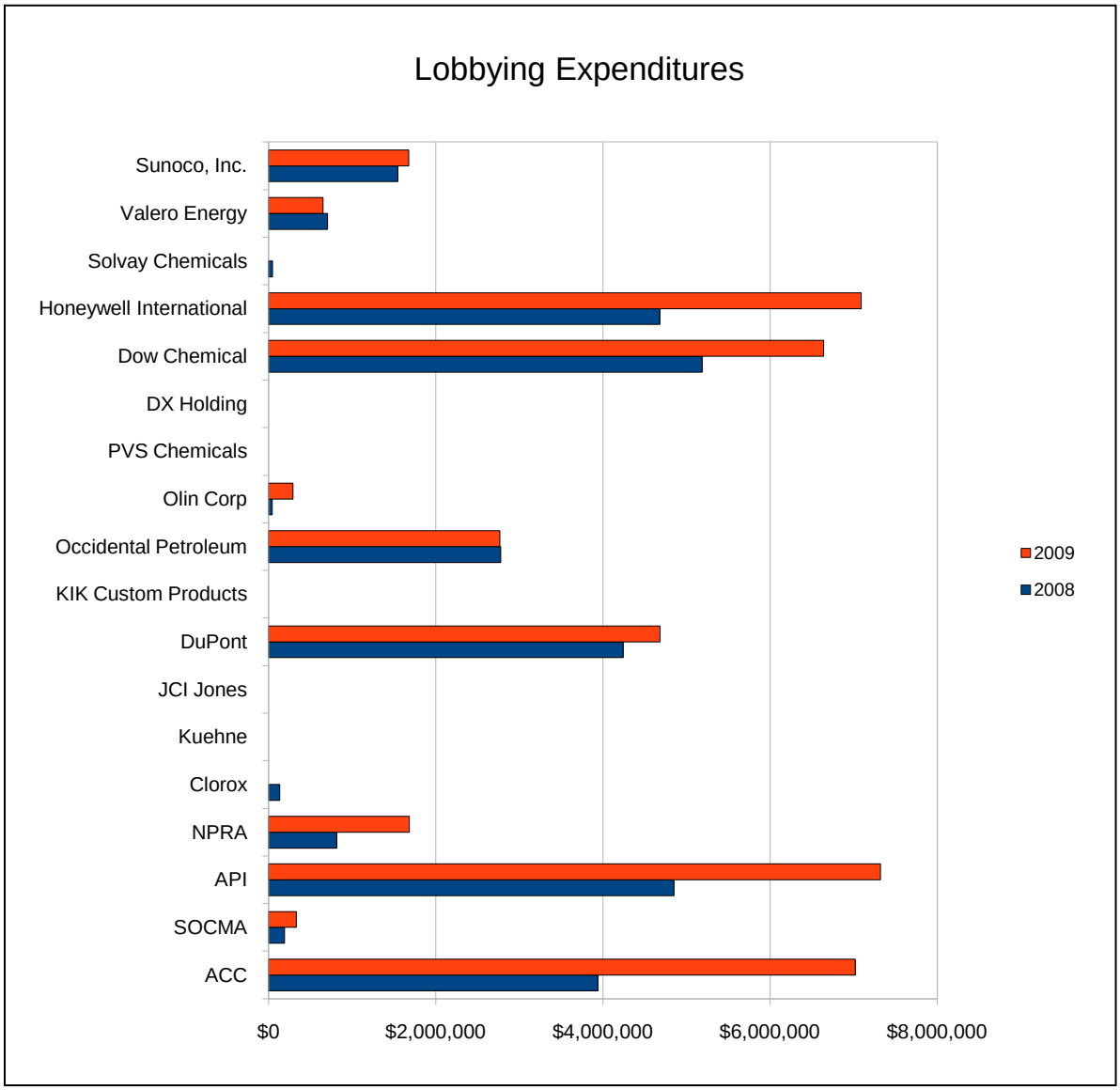
The report examines these fourteen companies' spending on lobbying as well as which corporations and associations hired lobbyists with ties of former employment to either the

committees or the individual members who sit on the committees of jurisdiction.

The analysis found that nine members of these fourteen companies lobbied Congress directly in 2008 or 2009, spending a total of $43,140,199.

In addition the four trade associations that represent the bulk of these fourteen companies- the American Chemistry Council (ACC), the Society of Chemical Manufacturers and Associates (SOCMA), the National Petrochemical & Refiners Association (NPRA) and the American Petroleum Institute (API)- spent an additional $26,145,999 on lobbying in this period.

CHART 3
Lobbying Expenditures by the fourteen most dangerous companies (2008 and 2009)



These fourteen companies have increased their lobbying efforts extensively in 2009 compared to in 2008. In 2008, they spent $19,344,948 on lobbying and $29,136,944 including their spending through their trade associations. In 2009, they increased their spending by almost 30%, spending $23,795,251 on lobbying directly

from the company budgets and $40,149,254 when trade association spending is factored in.

The top spenders in both 2008 and 2009 are Dow Chemical, Honeywell International, and DuPont.

In 2008, Dow Chemical spent $5,187,000 and Honeywell spent $4,680,000 on lobbying, while DuPont was a close third spending $4,241,772. In 2009, Honeywell spent $7,092,000 on their lobbyists, Dow spent $6,640,000, and DuPont spent $4,682,110.

The Rapidly Spinning 'Revolving Door':

The most direct path between the influence powerhouses that line Washington's K Street and the U.S. Capitol building is a "revolving door" that rapidly moves former federal employees into jobs as lobbyists, consultants and strategists. Interestingly, the top committee with incidences of revolving door job seeking by former staffers is the Energy and Commerce Committee which holds the Chemical and Water Security Act in its hands. According to the nonpartisan watchdog, the Center for Responsive Politics, this committee is the current record holder for sending former employees straight to K Street.[xxiii]
We examined these fourteen companies for ties to the committees they lobby and found high occurrences. Twenty former staffers for members of the House Energy & Commerce and Homeland Security Committees now work for these fourteen companies, the three trade associations, or the lobbying firms they hired, withseveral lobbying for more than one firm. These "revolving door" lobbyists employ their connections in the interest of their corporations and to the detriment of public safety.

The American Petroleum Institute employs seven revolving door staff members, six with ties to the House Energy and Commerce committee and one with ties to the House Homeland Security Committee. Sunoco employs five--all former staffers with the Energy & Commerce committee or its members, and the American Chemistry Council follows close behind, employing four. (Table 3)

Former government officials-turned-lobbyists bring with them special influence developed while working as a public servant. They typically have developed a network of friends and colleagues still in government service that they can tap on behalf of their paying clients, as well as insider knowledge of legislators and public officials, legislation and the legislative process. In effect, former officials can "cash in" on their experience as a public servant, and in this case their cash is at the expense of the Chemical and Water Security Act and the public.

TABLE 3
Revolving Door Lobbyists
(Committee of Jurisdiction and Members on the Committee and fourteen most dangerous companies and their trade associations)

Company or Trade Association	Revolving Door Lobbyists
American Chemistry Council	4
American Petroleum Institute	7
Dow Chemical	3
Honeywell International	2
National Petrochemical & Refiners Association	2
Olin Corp	1
Sunoco, Inc.	5

(**Note:** some lobbyists are employed by more than one company or association)

Conclusions

Chemical Security

In 2006, Congress enacted a rider to the 2007 Department of Homeland Security appropriations bill that temporarily authorized the Chemical Facility Anti-Terrorism Standards (CFATS) until October 4, 2009. CFATS was intended only as an interim stop gap measure until Congress could enact a comprehensive chemical security program. Among its flaws, the interim statute:

- Prohibits the DHS from requiring any specific "security measure" whatsoever;
- Explicitly exempts thousands of chemical and port facilities, including approximately 2,400 water treatment facilities and 400-600 port facilities including many oil refineries;
- Fails to involve knowledgeable employees in the development of vulnerability assessments and security plans, or protect employees from excessive background checks;
- Denies the public the information needed to ensure an effective, accountable program.

In testimony before the Senate Homeland Security and Governmental Affairs Committee, both the DHS and the EPA called for comprehensive legislation that requires high risk facilities to assess safer chemical processes and conditionally requires the highest risk plants to use safer chemical processes where feasible. In addition, they urged Congress to eliminate the gap in security for water treatment facilities and to modify the exemption for port facilities now regulated under the Maritime Transportation Security Act to ensure consistency with CFATS.[xxiv]

In November 2009, the House of Representatives passed *The Chemical and Water Security Act* (H.R. 2868), maintaining the DHS as the lead agency regulating privately owned chemical plants, including port facilities, and authorizes the EPA as the lead agency regulating publicly owned water and wastewater treatment facilities and provides funding for publicly owned water facilities to adopt the most protective security measures. The Secure Chemical Facilities Act and the Secure Water Facilities Act were introduced on July 14, 2010 by Sen. Frank Lautenberg (D-NJ).

To truly protect employees and communities around these high risk facilities, a comprehensive law should:

- Use "smart security" to prevent the catastrophic consequences of an attack by implementing cost-effective safer and more secure chemicals and processes at all of the highest risk facilities;
- Include all categories of facilities such as port facilities and water treatment plants;
- Involve plant employees in developing plant security programs;
- Allow citizen suits against chemical facilities and government agencies to enforce the law;
- Ensure greater accountability through the disclosure of non-sensitive information on compliance and implementation of security standards;
- Allow states to set more protective security standards;

Good Government

The outsized influence of corporate entities, both in terms of the favors their lobbyists can call in and the funding they provide to candidates, cannot be overestimated. Corporations are heard at a louder volume and more frequently by the members of committees that control policy that directly affects corporate interests. This is an issue that skews our democratic process, and it requires a solution.

There are several ways to rein in corporate power, but the most obvious is to give the real owners of corporations- the investors- knowledge and a voice over how the money of that corporation is spent in politics. This can be accomplished by giving shareholders a vote on

future corporate political spending by managers. This concept can be found in the Shareholder Protection Act, H.R. 4790, introduced by Representative Mike Capuano (D-MA).

In addition, this report highlights the frequency of revolving door abuses in Washington and the problems that can result for important public interest legislation like the *Chemical and Water Security Act*.

Currently, other than anti-bribery laws, no conflict of interest statute exists for members of Congress and their staff that regulates negotiations of future employment. Rules are described in the House and Senate code of ethics, which prohibit members and staff from receiving compensation "by virtue of influence improperly exerted" from their official positions, but that is all. The rules advise members and staff to recuse themselves from official actions of interest to a prospective employer while job negotiations are underway and for members to seek prior approval from the ethics committee about conducting such job negotiations[xxv]. However, recusal is not mandatory.

Finally, in the long term we need truly systemic reform to get money out of politics and stop the rampant spending by corporate interests on campaign contributions. The Fair Elections Now Act (H.R.1826) introduced by Representatives John Larson and Walter Jones, would provide public financing for congressional candidates, thereby empowering voters and putting power to fund elections in the hands of the small donors rather than the corporate special interests.

Appendices:

Appendix A: Chemical Facilities by Company and State

Company	State	# of facilities	Residential Population in Danger
Clorox	***Total***	***7***	***13,392,600***
	California	**1**	**5,552,300**
	Florida	**1**	**633,600**
	Georgia	**1**	**1,077,700**
	Illinois	**1**	**4,013,600**
	Maryland	**1**	**229,400**
	Puerto Rico	**1**	**17,300**
	Texas	**1**	**1,868,700**
Kuehne Chemical	***Total***	***2***	***12,480,000***
	Delaware	**1**	**480,000**
	New Jersey	**1**	**12,000,000**
JCI Jones	***Total***	***11***	***12,152,601***
	California	**1**	**4,542,819**
	Florida	**1**	**760,151**
	Indiana	**1**	**1,037,179**
	Michigan	**1**	**913,475**
	North Carolina	**1**	**825,874**
	New Hampshire	**1**	**447,997**
	New York	**2**	**1,153,871**
	Ohio	**1**	**1,264,615**
	Virginia	**1**	**234,901**
	Washington	**1**	**971,719**
KIK Custom Products	***Total***	***11***	***9,693,947***
	California	**1**	**4,900,000**
	Colorado	**1**	**1,714,800**
	Florida	**1**	**354,389**
	Georgia	**2**	**370,037**
	Illinois	**2**	**122**
	Indiana	**2**	**66**
	Texas	**1**	**2,127,533**
	Virginia	**1**	**227,000**
DuPont	***Total****	***27***	***9,654,429***
	Alabama	**1**	**250,000**
	Arkansas	**1**	**58,000**
	Delaware	**1**	**660,000**
	Kentucky	**2**	**1,120,504**
	Louisiana*	**3**	**409,750**
	Mississippi	**2**	**319,819**

Company	State	# of facilities	Residential Population in Danger
	North Carolina	1	24,000
	New Jersey*	3	2,000,000
	New York	1	-
	Ohio	1	1,329,683
	Tennessee*	3	1,120,025
	Texas*	4	2,023,397
	Virginia	2	9,251
	West Virginia	2	330,000
PVS Chemicals	***Total***	***3***	***7,878,104***
	Illinois	1	5,067,440
	Michigan	1	1,882,650
	New York	1	928,014
Olin	***Total****	***10***	***7,159,702***
	Alabama	1	42,750
	California	2	2,995,000
	Georgia	1	440,000
	Louisiana	1	408,000
	Nevada	1	1,100,000
	New York*	2	998,200
	Tennessee	1	258,036
	Washington	1	917,716
DX Holding	***Total***	***22***	***7,111,289***
	Alabama	1	365,719
	Arkansas	1	3,745
	Arizona	1	1,666,456
	Colorado	1	42,215
	Florida	1	754,116
	Kansas	1	6,257
	Louisiana	2	78,504
	Minnesota	1	918,762
	Missouri	1	86,032
	Montana	1	8,239
	Nebraska	1	661,982
	New Mexico	2	553,537
	North Carolina	1	4,569
	Tennessee	1	386,098
	Texas	6	1,575,058
Solvay	***Total***	***5***	***5,906,381***
	Georgia	1	440,000
	Illinois	1	1,300,000
	New Jersey	1	4,165,831
	Ohio	1	550
	Texas	1	-

Company	State	# of facilities	Residential Population in Danger
Valero	***Total***	***20***	***5,617,707***
	California	**2**	**373,244**
	Delaware	**1**	**-**
	Iowa	**3**	**5,800**
	Louisiana	**1**	**2,600**
	Minnesota	**1**	**2,800**
	New Jersey	**1**	**3,170,000**
	Oklahoma	**1**	**40,000**
	South Dakota	**1**	**6,257**
	Tennessee	**1**	**791,888**
	Texas	**8**	**1,225,118**
Occidental Chemical	**Total***	**14**	**5,541,725**
	Kansas	**1**	**506,479**
	Kentucky	**1**	**2,077**
	Louisiana*	**3**	**830,000**
	New Jersey	**1**	**1,138**
	New York	**1**	**1,000,000**
	Pennsylvania	**1**	**240,000**
	Texas*	**6**	**2,962,031**
Honeywell	**Total***	**11**	**5,501,456**
	Arizona	**1**	**30,000**
	Delaware	**1**	**3,640,611**
	Illinois	**1**	**128,000**
	Louisiana*	**2**	**780,000**
	Michigan	**1**	**633**
	Texas	**3**	**12**
	Utah	**1**	**2,200**
	Virginia	**1**	**920,000**
Dow Chemical	**Total***	**42**	**5,285,321**
	Arkansas	**1**	**110**
	California	**4**	**659,600**
	Connecticut	**1**	**15,000**
	Georgia	**2**	**382**
	Illinois	**5**	**392,024**
	Louisiana*	**7**	**1,514,639**
	Michigan	**2**	**300,000**
	Missouri	**1**	**120**
	North Carolina	**1**	**24,000**
	New Jersey	**1**	**434**
	Ohio	**1**	**1,200,000**
	Pennsylvania	**2**	**31,632**

Company	State	# of facilities	Residential Population in Danger
	Tennessee	**1**	**26,355**
	Texas*	**8**	**986,964**
	West Virginia*	**5**	**134,061**
Sunoco		***10***	***4,440,208***
	Maryland	**1**	**83**
	Michigan	**1**	**606**
	Ohio	**2**	**36,915**
	Pennsylvania*	**4**	**4,402,592**
	West Virginia	**1**	**12**

* In the event that a company owned more than one facility in close enough proximity to have overlapping vulnerability zones, the smaller vulnerability zone has been taken out of our calculation.

Appendix B: Revolving Door

Table B1: 'Revolving Door' Lobbyists

Company/Trade Assoc	Lobbyist	Hill office	Committee	Lobbying Firm
ACC	Andy Scott Wright	Rick Boucher (D-VA)	E&C	Dutko Worldwide
ACC	Julie Minerva	Bob Matsui, Doris Matsui (D-CA)	E&C	Holland & Knight
ACC	Martin Durbin	Rick Boucher (D-VA)	E&C	American Chemistry Council
ACC	Moses Mercado	Gene Green (D-TX)	E&C	Ogilvy Government Relations
API	Martin Durbin	Rick Boucher (D-VA)	E&C	API Exec VP Gov Aff
API	Cindy Brown	Bart Stupak (D-MI)	E&C	Mehlman Vogel Castagnetti
API	David Castagnetti	Ed Markey (D-MA)	E&C	Mehlman Vogel Castagnetti
API	David Thomas	Zoe Lofgren (D-CA)	HS	Mehlman Vogel Castagnetti

API	Elise Pickering	John Shadegg (R-AZ)	E&C	Mehlman Vogel Castagnetti
API	Moses Mercado	Gene Green (D-TX)	E&C	Ogilvy Government Relations
API	Michael Bates	E&C	E&C	Timmons & Co
Dow Chemical	Josh Tzuker	John Dingell, Jim Matheson	E&C	Akin Gump
Dow Chemical	Karen Green	Bob Matsui, Doris Matsui (D-CA)	E&C	Akin Gump
Dow Chemical	Francis Grab	Bob Matsui, Doris Matsui (D-CA)	E&C	Ernst & Young
Honeywell International	Josh Tzuker	Bob Matsui, Doris Matsui (D-CA)	E&C	Akin Gump
Honeywell International	Mark Kadesh	Jane Harman (D-CA)	E&C, HS	Kadesh & Assoc
NPRA	Brendan Williams	E&C	E&C	NPRA
NPRA	Thomas Pyle	George Radanovich (R-CA)	E&C	Rhoads Group
Olin Corp	Andy Scott Wright	Rick Boucher (D-VA)	E&C	Dutko Worldwide
Sunoco, Inc.	Joseph Vasapoli	E&C	E&C	Ryan, Phillips et al.
Sunoco, Inc.	Thomas Ryan	E&C	E&C	Ryan, Phillips et al.
Sunoco, Inc.	Jeffrey MacKinnon	Joe Barton (R-TX)	E&C	Ryan, Phillips et al.
Sunoco, Inc.	Nick Kolovos	Anna Eshoo (D-CA)	E&C	Ryan, Phillips et al.
Sunoco, Inc.	Matthew Berzok	Bart Stupak (D-MI)	E&C	Ryan, Phillips et al.

Appendix C: Lobbying Expenditures

Table C1: Lobbying expenditures by Fourteen Most Dangerous companies (2010 Data not yet available)

Corporation	2008	2009
Clorox	130,000	
Kuehne		
JCl Jones		
DuPont	4,241,772	4,682,110
KIK		
Occidental	2,774,893	2,765,380
Olin	40,000	290,000
PVS		
DX		
Dow Chem	5,187,000	6,640,000
Honeywell	4,680,000	7,092,000
Solvay	45,000	
Valero	702,000	650,000
Sunoco	1,544,283	1,675,761
Total	$12,158,283	$12,158,283

Table C2: Lobbying expenditures by Fourteen Most Dangerous Companies' Trade Associations

Trade Association	2008	2009
ACC	3,940,000	7,020,000
SOCMA	188,186	330,000
API	4,849,437	7,320,000
NPRA	814,373	1,684,003
	$9,794,004	$16,356,012

Appendix D: Trade Association Membership and CEOs

Table D1: Corporate Information and Trade Association memberships

Company	ACC	API	NPRA	SOCMA	Public?	Foreign?
The Clorox Co.					X	
Kuehne Chemical	X					
JCI Jones	X					
DuPont Co.	X		X		X	
KIK Custom Products						X
Occidental Petroleum	X	X	X		X	
Olin Corp	X		X		X	
PVS Chemicals	X					
DX Holding						
Dow Chemical	X	X	X	X	X	
Honeywell International	X	X	X		X	
Solvay Chemicals	X			X	X	X
Valero Energy			X		X	
Sunoco, Inc.	X	X	X		X	

Table D2: CEOs of the fourteen most dangerous companies and their trade associations

Name	CEO
Clorox	Donald Knauss
Kuehne	Donald Nicolai
JCI Jones	Jeffrey Jones
DuPont Co.	Charles Holliday Jr.- former (Ellen Kullman- present)
KIK Custom Products	Jeffrey Nodland
Occidental	Ray Irani
Olin Corp	Joseph Rupp
PVS Chemicals	James Nicholson
DX Holding	S. Reed Morian
Dow Chemical	Andrew Liveris
Honeywell Int'l	David Cote
Solvay Chemicals	Rene Degreve- Solvay America Inc.; Richard Hogan- Solvay Chemicals, Inc
Valero Energy	William Klesse
Sunoco Inc.	Lynn Elsenhans
ACC	Calvin Dooley/Jack Gerard (former)
SOCMA	Larry (Lawrence) Sloan
API	Jack Gerard/Red Cavaney (former)
NPRA	William Klesse

Appendix E: Political Action Committee Data

E1: PAC and CEO Campaign Spending to members of committees of jurisdiction

Name	CEO Contributions	PAC Contributions	Total
Clorox Co.	-	5,500	5,500
Dow Chemical	3,800	168,000	171,800
DuPont	3,400	97,200	100,600
DX Holding	9,300	-	9,300
Honeywell	-	928,250	928,250
JCI Jones	-	-	-
KIK Custom Products	-	-	-
Kuehne Chemical	-	-	-
Occidental	-	171,500	171,500
Olin	-	10,500	10,500
PVS Chemicals	21,600	-	21,600
Solvay	-	-	-
Sunoco	-	174,990	174,990
Valero	-	372,500	372,500
Total from companies	36,100	1,928,440	1,964,540
ACC	1,500	186,928	188,428
SOCMA	11,100	-	11,100
API	2,500	-	2,500
NPRA	-	72,500	72,500
Total from trade groups	15,100	259,428	274,528
Total campaign spending	51,200	2,187,868	2,239,068

Table E2: Total PAC contributions to the House Energy &Commerce (E&C) and Homeland Security (HS) Committees by the Fourteen Most Dangerous Companies and their trade associations

	# of Members	2008	2010	Total
Energy and Commerce	58	$725,538	$439,498	1,165,036
Homeland Security	30	$183,642	$249,750	$433,392
Members on Neither Committee	347	$2,851,615	$1,825,350	$4,676,965
House	435	$3,760,795	$2,514,598	$6,275,393
% of Money Contributed to E&C and HS		24%	27%	26%

Table E3: Total PAC contributions to members of the Senate Environment and Public Works Committee (EPW) and Homeland Security and Government Affairs Committee (HSGAC) by the fourteen most dangerous companies and their trade associations

	SIZE	2008	2010	Total
EPW	19	$236,600	$123,870	$360,470
HSGAC	17	$192,100	$36,870	228,970
Members on Neither Committee	64	$633,900	$583,279	1,217,179
Senate	100	1,062,600	$744,019	1,806,619
% of Contributions to EPW and HSGAC members		40%	21%	33%

[i] James Belke, U.S. Environmental Protection Agency. "Chemical accident risks in the U.S. industry – A preliminary analysis of accident risk data from U.S. hazardous facilities," September 25, 2000.

[ii] National Response Center, STATISTICS : Incident Type 2000 - 2009
http://www.nrc.uscg.mil/incident_type_2000up.html (accessed 7/8/2010)

[iii] The Army Surgeon General found chemical plant terrorism to be second only to a major bioterror event. *See* Eric Pianin, "Study Assesses Risk of Attack on Chemical Plant." *Washington Post,* March 12, 2002. Available online at http://www.washingtonpost.com /ac2/wp-dyn/A10616-2002Mar11

[iv] While it is currently operating seven facilities using chlorine gas, on Nov. 2, 2009, The Clorox Company announced that it plans to begin transitioning from chlorine to high-strength bleach as a raw material for making its namesake bleach.
Global Security Newswire, Clorox to Halt Use of Chlorine at Bleach Production Sites, November 2, 2009
http://gsn.nti.org/gsn/nw_20091102_6428.php

[v] Chemical and Engineering News, *Clorox To Stop Using Chlorine*, (November 9, 2009) Volume 87, Number 45, p. 12 http://pubs.acs.org/cen/news/87/i45/8745notw2.html

[vi] Opening Statement of Chairman Joseph Lieberman, "Chemical Security: Assessing Progress and Charting a Path Forward" Homeland Security and Governmental Affairs Committee March 3, 2010
http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=c5606ab3-bfba-414a-b735-ef35a4adc677

[vii] U.S. EPA, RMP Program Overview,
http://yosemite.epa.gov/oswer/Ceppoweb.nsf/content/RMPoverview.htm.

[viii] It is important to note that not *all* people living within a vulnerability zone could be affected by a single chemical release; those living downwind during a chemical release are most likely to be affected.

[ix] National Response Center, STATISTICS : Incident Type 2000 - 2009
http://www.nrc.uscg.mil/incident_type_2000up.html (accessed 7/8/2010)

[x] Hearing before the Senate Environment and Public Works Committee, Subcommittee on Superfund, Toxics, Risk, and Waste Management (Nov. 14, 2001) (Testimony of Paul Orum, Working Group on Community Right-to-Know) *available at*
http://www.crtk.org/detail.cfm?docID=242&cat=spills%20and%20emergencies (citing Mannan, Gentile, O'Connor, *Chemical Incident Data Mining and Application to Chemical Safety Trend Analysis*, Mary Kay O'Connor Chemical Process Safety Center, Texas A&M University (2001)).

[xi] New York Times, *Safety Panel Cites Errors in Blast at Chemical Plant* (April 23, 2009) *available at*
http://www.nytimes.com/2009/04/24/us/24chemical.html?fta=y

[xii] Boston Globe, *Explosion rocks Danvers, several hurt, none seriously* (Nov. 22, 2006), *available at*
http://www.boston.com/news/local/massachusetts/articles/2006/11/22/explosion_rocks_danvers_several_hurt_none_seriously/

[xiii] Ovaska, Beckwith and Siceloff, *Apex fire may smolder until dawn Saturday*, The News and Observer (Oct. 7, 2006) available at http://www.newsobserver.com/102/story/495143.html.

[xiv] Chemical Safety and Hazard Investigation Board, *BP America Refinery Explosion* (Mar. 27, 2007) *available at*
http://www.chemsafety.gov/index.cfm?folder=completed_investigations&page=info&INV_ID=52

[xv] Eric Pianin, *Study Assesses Risk of Attack on Chemical Plant*, Washington Post, (Mar. 12, 2002) *available at* http://www.washingtonpost.com/ac2/wp-dyn/A10616-2002Mar11

[xvi] *Chemical Attack on America: How Vulnerable Are We?*, Hearing before the Senate Homeland Security and Government Affairs Committee (Apr. 27, 2005) (Testimony of Richard Falkenrath) *available at* http://hsgac.senate.gov/_files/SHSGACTestimonyonHazmat042705.pdf (hereinafter "Falkenrath testimony")

[xvii] Agency for Toxic Substances and Disease Registry, *Industrial Chemicals and Terrorism: Human Health Threat Analysis, Mitigation and Prevention* (1999) (Hereinafter ATSDR Study)

[xviii] "Chemical Accident Prevention: Site Security," U.S. EPA Chemical Safety Alert. February 2000.

[xix] Prine, Carl, *Terror on the Tracks*, The Pittsburgh Tribune-Review (Jan. 14, 2007) *available at* www.pittsburghlive.com/x/pittsburghtrib/news/specialreports/s_487117.html

[xx] Carol D. Leonnig and Spence S. Hsu, "Fearing Attack, Blue Plains Ceases Toxic Chemical Use." *Washington Post*, November 10, 2001, Page A01.

[xxi] Global Security Newswire, Clorox to Halt Use of Chlorine at Bleach Production Sites, November 2, 2009 http://gsn.nti.org/gsn/nw_20091102_6428.php

[xxii] Of note: contributions to Senator Tom Carper are counted twice as he sits on both the EPW and on HSGAC committees.

[xxiii]Center for Responsive Politics, http://www.opensecrets.org/revolving/top.php?display=C&chamb=H (last visited on July 7, 2010)

[xxiv] Testimony before the Senate Homeland Security and Government Affairs Committee , March 3,2010, The Honorable Rand Beers Under Secretary, National Protection and Programs Directorate, U.S. Department of Homeland Security and The Honorable Peter S. Silva, Assistant Administrator for Water, U.S. Environmental Protection Agency http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=c5606ab3-bfba-414a-b735-ef35a4adc677

[xxv]House Rule 47; Senate Rule 37.