



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

MEETING SUMMARY

Security Sensitive Hazardous Materials

Meeting with the Institute of Makers of Explosives, American Chemistry Council,
and American Pyrotechnics Association

U.S. Department of Transportation
Washington, DC

July 19 2005

On July 19, 2005, U.S. Department of Transportation officials met with representatives of the Institute of Makers of Explosives, American Chemistry Council, and American Pyrotechnics Association to discuss issues related to efforts to enhance hazardous materials transportation security. In particular, the industry representatives wanted to discuss proposals to designate certain materials as "security sensitive" materials that would be subject to increased security requirements during transportation. U.S. DOT officials in attendance included representatives of the Office of the Secretary, Federal Motor Carrier Safety Administration, Federal Railroad Administration, and Pipeline and Hazardous Materials Safety Administration. A complete list of attendees is attached, as is the industry's agenda for the meeting.

The industry representatives stressed the importance of hazardous materials to the U.S. economy and standard of living and emphasized the critical need to transport hazardous materials to support a wide variety of industrial, farming, and entertainment applications. The industry representatives indicated their support for risk-based and scientific approaches to hazardous materials transportation security, but expressed concern that government regulators and proposed legislation may focus too narrowly on materials that present highly publicized security risks without adequate consideration of other hazardous materials that have a known history of use in terrorism and that could be used to cause significant numbers of fatalities in certain scenarios. Additional materials may present significant security risks in combination with other materials or as pre-cursor materials.

The industry representatives are concerned that, if government regulators impose new security requirements on a small number of "security sensitive" hazardous materials, costs will escalate and be passed on to consumers. Many carriers will elect to stop transporting such materials rather than incur the costs associated with upgrading security measures. In some extreme cases, manufacturing and production may move offshore.

In addition to issues associated with the designation of “security sensitive” hazardous materials, the industry representatives noted that even “gold-plated” security solutions cannot protect society from every possible security breach related to the transportation of hazardous materials and suggested that the government should carefully weigh the costs of additional security requirements against their expected benefits. The industry representatives referred to an FBI report that suggests that terrorists do not want to draw attention to themselves or their plans and so will strive to operate within legal bounds in attempting to acquire materials and transport them for use in terrorist actions. Thus, the industry representatives suggested that a focus on preventing hijackings or thefts of hazardous material during transportation may be of limited effectiveness.

List of Attendees

U.S. Department of Transportation

Michael O'Malley, Office of the Secretary (OST)
Tyler Duvall, OST
Deirdre Breithaupt, OST
Stacey Gerard, Pipeline and Hazardous Materials Safety Administration (PHMSA)
Robert McGuire, PHMSA
Jim Wiggins, PHMSA
Susan Gorsky, PHMSA
Doug Reeves, PHMSA
Mike Hilder, PHMSA
Ed Pritchard, Federal Railroad Administration (FRA)
Lucinda Henrikson, FRA
James Simmons, Federal Motor Carrier Safety Administration

Industry Representatives

Cynthia Hilton, Institute of Makers of Explosives
Tom Schick, American Chemistry Council
David Baker, American Pyrotechnics Association

Suggested Meeting Agenda

- I. Importance of hazardous materials to our way of life.
 - a. Recognition of the importance of hazmat security as a public policy goal
 - b. Societal tolerance of transportation risk
 - c. Balance of safety, security and commerce

- II. Security-sensitive hazardous materials
 - a. Initiatives to designate security-sensitive hazmats
 - i. Public
 - ii. Private
 - b. What is appropriate relief for non-security sensitive hazmats?
 - i. Spreading the “security” gap
 - ii. The rule of 500
 - c. Escalating costs of security initiatives
 - i. Value added & diminishing returns
 - 1. Terrorist Motivation
 - 2. Balance of prevention & response/recovery
 - ii. Lessons learned
 - 1. Nuclear experience
 - 2. National Security
 - d. Criteria to define
 - i. DOT criteria “safety” based
 - 1. hazardous materials table
 - 2. 49 USC 5109 list
 - ii. “Weaponized”
 - 1. Real world experience
 - 2. Weak links
 - e. Obligations of common carriers

- III. Consequences
 - a. Escalating cost of essential goods and services
 - b. Safety consequences
 - c. Transportation embargos

- IV. Response/Discussion