WEBINAR SERIES

Webinar Starts at 08:00 PT

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DHS CFATS REGULATIONS AND HOW TO PREPARE FOR AN AUDIT

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RISK MANAGEMENT PROFESSIONALS

Key Services
- Process Safety & Risk Management
- Process Hazard Analysis (PHA)
  - What-If? Studies
  - Hazard & Operability (HAZOP) Studies
  - Layer of Protection Analysis (LOPA)
  - Safeguard Protection Analysis (SPA)
  - Safety Integrity Level (SIL) Assessment & Verification
- Process Safety Management (PSM)
- Risk Management Program (RMP)
- California Accidental Release Prevention (CalARP) Program
- Nevada Chemical Accident Prevention Program (CAPP)
- Security Vulnerability Assessment (SVA)
- Inherently Safer Technology (IST), Hierarchy of Hazard Control Analysis (HCA), Safer Technology & Alternatives Analysis (STAA)
- Safety & Environmental Management Systems (SEMS)
- Damage Mechanism Review (DMR)
- Safety Case

Key Services (cont.)
- ERP Development & Emergency Preparedness Training (NIMS-Compatible)
- Risk-Graph and Bow-tie Analysis
- QRA Services – FTA & ETA

Background
- Services to Process Industries, Utilities, & Government Since 1995
- International w/US Focus

Qualifications
- Extensive Experience
- Two Decades of Risk-Based Applications
- Engineering, Safety, Security, and Emergency Response Backgrounds

Locations
- HQ: Irvine, CA
- Houston ♦ Norfolk ♦ Walnut Creek

Contact
- info@RMPCorp.com
- www.RMPCorp.com
- U.S. (877) 532-0806
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>COI</td>
<td>Chemical of Interest</td>
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<tr>
<td>CFATS</td>
<td>Chemical Facility Anti-Terrorism Standards</td>
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<td>CVI</td>
<td>Chemical-Terrorism Vulnerability Information</td>
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<td>DHS</td>
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<td>RBPS</td>
<td>Risk-Based Performance Standards</td>
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<td>SSP</td>
<td>Site Security Plan</td>
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<td>STQ</td>
<td>Screening Threshold Quantity</td>
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<td>SVA</td>
<td>Security Vulnerability Assessment</td>
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TOPICS

- DHS CFATS Eligibility
- Submission Schedule
- Preparing for a DHS Audit
- Common CFATS Deficiencies
- Interactive Question/Answer Session
DHS CFATS ELIGIBILITY
WHAT ARE CFATS?

• Chemical Facility Anti-Terrorism Standards (CFATS) are a set of US government security regulations for high-risk chemical facilities such as chemical plants, electrical generating facilities, refineries, and universities.

• Department of Homeland Security (DHS) has identified three security issues related to chemicals:
  ▪ Release
  ▪ Theft or Diversion
  ▪ Sabotage
WHO IS REQUIRED TO COMPLY?

• Any facility that comes into possession of any listed chemical of interest (COI) at or above the applicable screening threshold quantity (STQ) must complete and submit a Top-Screen within 60 days.

• DHS COI List:
DHS CFATS PROCESS

• Top-Screen
  ▪ An initial analysis of the chemicals and security risk of a facility which DHS uses to determine if additional requirements of the CFATS regulation must be imposed

• Security Vulnerability Assessment (SVA)
  ▪ Identification of potential security vulnerabilities and the identification of existing countermeasures and their level of effectiveness in both reducing identified vulnerabilities and in meeting the applicable Risk-Based Performance Standards (RBPS)

• Site Security Plan (SSP)
  ▪ Documents measures to counter identified risks to a chemical facility’s functions, information, people and physical assets at a designated site
TIER DETERMINATION BY DHS

Tier 1
Tier 2
Tier 3
Tier 4

High Risk
Low Risk
INITIAL SUBMISSION

6 CFR §27.210 (a)

• **Top-Screen**: 60 calendar days from the day a chemical facility comes into possession of any of the chemicals listed in the DHS COI list at or above the STQ

• **SVA/SSP**: 120 calendar days from the day of written notification from DHS
RESUBMISSION SCHEDULE FOR COVERED FACILITIES

6 CFR §27.210 (b)

• Tier 1 and 2 facilities must update their Top-Screen, SVA, and SSP every two years.

• Tier 3 and 4 facilities must update their Top-Screen, SVA, and SSP every three years.
RESUBMISSION SCHEDULE FOR COVERED FACILITIES (CONT.)

6 CFR §27.210 (b)

• If a covered facility makes material modifications to its operations or site, the covered facility must complete and submit a revised Top-Screen to the Department within 60 days of the material modification.
DHS STATISTICS

As of May 2017:

• DHS has received nearly 60,000 Top-Screen submissions from over 38,000 unique facilities.
  - 27,000 facilities have reported holdings of COI

• DHS has sent out over 10,000 tiering determination letters to facilities that have submitted new Top-Screens.
  - 5% of the currently-untiered population expected to become tiered
PREPARING FOR A DHS AUDIT
CFATS PROGRAM UPKEEPING

- DHS is continuously analyzing data from Federal, State, and Local agencies to identify potentially regulated facilities.
- All facilities assigned a tier by DHS receive annual (approximately) compliance inspections.
- Potential penalties of violating a compliance order:
  - $25,000/day
  - Cease-And-Desist Plant Operation
- This is a “Living Program” and documentation should be kept up-to-date.
TYPES OF AUDITS

• Authorization Inspection (AI)
  - Conducted after an initial review of the SVA/SSP and an Authorization Letter has been received.
  
  - The purpose is to verify and validate that the content listed in the facility’s authorized SSP is accurate and complete and that existing and planned equipment, processes and procedures are appropriate and sufficient to meet the established RBPS requirements.
TYPES OF AUDITS (CONT.)

- Compliance Inspection (CI)
  - Conducted as part of the recurring inspection process after a Letter of Approval has been received.
  - The purpose is to ensure that both existing and planned security measures identified within the SSP continue to be implemented fully and on schedule; the equipment, processes and procedures described in the SSP are appropriate and sufficient to meet RBPS; and required corrective actions have been implemented and are sustained.
WHAT TO EXPECT DURING AN AUDIT

• Inspection Duration
  ▪ Typically takes 1-2 days and DHS gives at least a 24-hour notice before an inspection

• Elements to expect during the inspection:
  ▪ Direct Observation
  ▪ Document Review
  ▪ Testing
  ▪ Interviews
PREPARING FOR AN AUDIT

• Attempt to have the following personnel available:
  - Submitter of the Site Security Plan
  - Facility Manager
  - Shipping and Receiving Representative
  - Facility Security Officer
  - Operations Manager
  - Human Resources Representative
  - Emergency Response Representative
PREPARING FOR AN AUDIT (CONT.)

• Types of documents to make available during the audit:
  ▪ COI List/Documentation of any changes in COI
  ▪ Site Map/Facility Layout
  ▪ Chemical-Terrorism Vulnerability Information (CVI) Training Documentation for affected personnel
  ▪ CFATS Documents (Top-Screen, SVA, SSP)
  ▪ Security Standard Operating Procedures
  ▪ Policies and procedures on cybersecurity, company hiring, shipping/receiving, etc.
  ▪ RBPS 18 Records
  ▪ Documentation demonstrating completion of planned measures
COMMON CFATS DEFICIENCIES
COMMON CFATS DEFICIENCIES

• Top-Screen Deficiencies:
  ▪ Not reporting all of the COI at the facility
  ▪ Overlooking a COI because it is “insignificant” to the main process operations
  ▪ Not properly reporting facility location (longitude and latitude)

• SVA and SSP Deficiencies:
  ▪ Not enough detail given in SSP to protect the COI
  ▪ Not having the ability to detect potential attacks early on to initiate a response
  ▪ Not conducting proper background checks on all employees and unescorted visitors with access to restricted areas or critical assets
  ▪ All relevant personnel have not completed their CVI Training
BEST COURSE OF ACTION?

• Comply with any DHS request for a Top-Screen, SVA or SSP:
  ▪ Ensure Top-Screens are updated to account for any material modifications.
  ▪ Ensure SVA and SSP reflects current safety practices at the facility.

• Even if DHS has not requested a SVA or SSP:
  ▪ Use public-domain guidance to understand SVA and SSP concepts.
  ▪ Understand potential threats and vulnerabilities at your site.
  ▪ Consider key elements to include in a SSP or creating an Alternative Security Plan.

• Even if Top-Screen is not required:
  ▪ Selectively apply SVA and SSP concepts.
ADDITIONAL INFORMATION

• RMP Regulatory Updates Page:
  ▪ http://RMPCorp.com/sms_regulatory_updates/

• E-mail RMP for Guidance:
  ▪ info@RMPCorp.com

• DHS CFATS Helpline:
  ▪ (866) 323-2957

• DHS CSAT 2.0 Portal:
  ▪ https://csat-registration.dhs.gov/apex/,DanaInfo=.arfizigFj0j36L1521Qy7D+f?p=2200:1:::::

• DHS Chemical Security Laws and Regulations:
  ▪ https://www.dhs.gov/chemical-security-laws-and-regulations
REFERENCES

# UPCOMING WEBINARS / CONFERENCES

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<td>Webinar</td>
<td>“Using HAZOP/LOPA to Create an Effective Mechanical Integrity Program” presented by Steven Maher, PE and David Child</td>
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<tr>
<td>August 29, 2017</td>
<td>Webinar</td>
<td>“Ammonia Accidents: The Importance of RMP/PSM Prevention Elements in Mitigating Hazardous Releases” Presented by Sara J. Willman</td>
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<td>September 14, 2017</td>
<td>Webinar</td>
<td>“IIAR Standards and How They Apply to RAGAGEP – Part 5” Presented by Stephanie Smith, PE</td>
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<td>Sept 26-29, 2017</td>
<td>RETA National Conference (Hershey, Pennsylvania)</td>
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<td>September 28, 2017</td>
<td>Webinar</td>
<td>“The Importance of Pre-Causing PHAs” Presented by Carine M. Black</td>
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<td>Oct 12, 2017</td>
<td>Webinar</td>
<td>“Solid &amp; Powder Dispersion Modeling in Accordance with CalARP/RMP/PSM Regulations” presented by Nicholas E. Cabrena and Jon K. Watterson</td>
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QUESTIONS?

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