



CHEMICAL SECTOR SECURITY SUMMIT
PREPARED REMARKS FOR CAL DOOLEY
JULY 18, 2019

Thank you for that kind introduction and for inviting me to speak to this terrific group of security professionals. I would like to thank the many people who put in a lot of time and effort to develop an impressive program. This annual summit provides an invaluable forum for all us to learn from each other, and to discuss the best ways to deal with the latest and most pressing security threats.

In particular, I want to thank the men and women of the Department of Homeland Security (DHS) including, Christopher Krebs, Brian Harrel,

David Wulf and Eric Choy for everything they do to help us meet the security challenges that face our industry.

I also want to acknowledge and thank the members of the Chemical Sector Coordinating Council, including Matt Fridley and Scott Welchel for their leadership and the great job they do representing our industry.

And lastly, I'd like to thank the Louisiana Chemical Association, especially Greg Bowser and Ed Flynn who have also demonstrated tremendous leadership on behalf of the business of chemistry, and for being such wonderful hosts for this year's summit.

Please join me in showing our appreciation by giving them a round of applause.

Our industry takes great pride in the partnerships we have formed over the years - with government, NGOs, and other stakeholders. The term "public/private partnership" is commonly used as a qualifier to describe the seemingly incompatible relationship between industry and government. But when we take a closer look at the history and ongoing

work between the chemical sector and DHS - it really is a true partnership. We challenge each other to do better. And, we accomplish more when we work together. No qualifier is required.

It all starts with the fact that chemical security is a shared responsibility. That's because all of the chemical infrastructure is owned by the private sector, and nearly all of the threat intelligence and terrorist response capabilities are managed by the public sector. Each group has a vital role and shared goal when it comes to national security, which forms the basis of the strong partnership we see in place today.

And, through regular information sharing, tabletop exercises and drills each of these roles are tested and refined to help ensure that there is a well-coordinated response in place to effectively deal with a national emergency. This collaborative effort helps us build trust and confidence in one another, and helps to assure the public that we are prepared to address any potential threats that could place them at risk.

I'm happy to say that despite some bumps along the way this special partnership between industry and DHS has developed into a productive working relationship that has helped make our industry and our nation as a whole become more secure.

Over the years, we have been able to accomplish a great deal when both parties are committed to working together to tackle mutual problems, particularly in the case of implementing the Chemical Facility Anti-Terrorism Standards (CFATS).

As it turns out, the foundation of this relationship was laid nearly 20 years ago. Many of you recall that right after the terrorist attacks on September 11th, 2001, there was concern – that persists through today – about the possibility of the chemical industry being the next target for terrorists. The primary fear at that time was the potential for another attack designed to cause an intentional release at a chemical facility.

ACC and its members, along with other industry leaders, quickly realized that we needed to be proactive – given how everyone's

thinking needed to change in the face of the increased threat of terrorism in the U.S.

It just so happened that ACC's leadership were all together on September 11th at one our board meetings. Soon after that meeting was convened, the group received word about the attacks in New York and Washington. The regular sessions were quickly adjourned - and with the suspension of all flights in the U.S. - the Board immediately turned its attention to how the chemical industry should respond to this new and unprecedented threat to our country.

From the start, it became clear to our members that the most logical and quickest path to adopting a new security initiative would be to incorporate it into our existing Responsible Care[®] program, which at the time was focused on environment, health and safety. By linking security to Responsible Care, ACC's leadership would also send a clear signal that security must be a top priority for anyone who operates a chemical facility.

In June 2002, ACC's Board approved the Responsible Care Security Code, which required companies among other things to conduct vulnerability assessments for their facilities and their supply chains, and to develop security plans to deal with those vulnerabilities.

Fast forward to today and you will see that ACC member companies have invested more than \$17 billion under the Security Code to further strengthen site, transportation, and cyber security at their facilities.

The Code has not only won the support of our members, its effectiveness has also been acknowledged by regulators and policymakers.

For example, the Code has served as the basis for creating the chemical security regulatory programs in New Jersey, New York and Maryland as well as CFATS. More recently, the success of the program was recognized by DHS when the Agency designated the Code as a qualified anti-terrorism technology under the SAFETY Act.

Much of this investment and work was made possible by many of the folks in the room today. You should be proud that you have helped form and foster the relationships that made programs like Responsible Care and policies like CFATS a success, which in turn have helped make our nation more secure. However, it should come as no surprise to anyone in this room when I say our work is far from done.

As I said earlier - by working together, we have put CFATS on a solid path toward delivering real security benefits, but we all know there are still opportunities to improve how the program operates. As you heard during yesterday's Congressional panel, work is underway in the House and the Senate to pass legislation that will provide a long-term extension for CFATS. We strongly support that effort because long-term authorization will provide much needed stability for DHS and regulatory certainty for industry. Last Congress, there were political challenges that prevented long-term authorization from happening, but this time the House and Senate are committed to working to achieve that much

needed certainty. This commitment by Democratic and Republican leadership gives us the best chance to achieve substantive change and long-term stability. While modest reforms are needed to improve CFATS, we must make sure that changes to the program end up being beneficial not detrimental. For example, Congress must be cautious not to create a vulnerability by mandating broad availability of sensitive chemical security information. Misguided calls for sharing information beyond those tasked with safeguarding facilities and with a legitimate need to know, under the auspices of transparency, may create unnecessary security risks. Tension exists between public disclosure and security needs, but getting that balance right is what has kept us safe since this program began. The partnership that exists today through CFATS to safeguard people, facilities and information is strong, and we must keep it that way.

We also need to keep the pressure on Congress to make positive enhancements to CFATS that will bolster the program's ability to reduce the risk of a chemical security event. One such idea is for CFATS

to leverage industry programs like Responsible Care. By providing regulatory credit to companies for their commitment to industry programs like Responsible Care, CFATS can have a multiplying effect across the chemical industry and beyond the CFATS regulated community.

In addition to CFATS, we must have policies in place that will help us take on some of the new and evolving threats to the chemical sector - from drones to cybersecurity. This includes following through on the direction of Congress to put reasonable protections against unauthorized drone flights over or near chemical plants and supports the responsible use of counter-drone authority at chemical operations. We also must work together to put a process in place that will improve the ability to share real-time cybersecurity threat information and countermeasures.

And lastly, we cannot forget about the threats to the chemical sector that come with the start of another hurricane season. The quick

development of Tropical Storm Barry into a hurricane before making landfall this past weekend serves a clear reminder that the next storm is really just around the corner. Thankfully, Barry's impacts were limited and not as severe as the storms that we have seen in the not-so-distant past.

Last year we were not nearly as fortunate and we learned many hard lessons from Hurricane Harvey and its record-breaking rainfall, which pushed everyone involved to their limit.

While there were things that did not go as well as we wanted – there was one bright spot. The partnership among industry and the emergency response community grew stronger as a result that came from that historic storm. To help make sure we took advantage of those hard fought lessons - ACC and the Texas Chemical Council hosted an all-day session with leaders from across the region to discuss what Harvey taught us and to help improve the planning and response to future weather events.

One important finding from that meeting was the need for DHS and other Agencies to enhance preplanning efforts and streamline coordination between the public and private sectors. Everyone agreed that systems should be in place well before a weather event for the rapid deployment of government assets and emergency declarations. It appears that some of those lessons did take hold and government at all levels took action before Barry hit the Louisiana Coast. Many people within state and federal government, including some of the folks in this room, worked quickly to make sure that vital resources - such as fuel - were in place to help everyone in the path of the storm. We need to make sure that we build on this success so we are equally prepared for the next major storm that we all know is coming.

I want to close my remarks by pointing out that the security and resiliency of the chemical sector has never been more crucial. That's because our industry is going through a very dynamic period thanks to the fact that chemical manufacturing is finally growing again in the

United States with announced investments of more than \$200 billion and 330 manufacturing projects over the next decade. Of course, this tremendous economic growth is certainly welcome news but it comes with increased responsibility since there will be more facilities and more employees that we must work together to protect.

I'm confident that everyone in this room is up to the task, and I want to thank everyone here today for your commitment to chemical security.