



AmericanCoatings
ASSOCIATION

**Testimony of David C. Tabar
The Sherwin-Williams Company**

On behalf of the American Coatings Association

Before the

Committee on Energy and Commerce

United States House of Representatives

Subcommittee on Environment and Economy

On H.R. 908

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Good morning, Chairman Shimkus, and members of the Subcommittee, my name is David C. Tabar and I am the Global Director of Safety for the Sherwin-Williams Company in Cleveland, Ohio. Sherwin-Williams is a global leader in the manufacture, development, distribution, and sale of coatings and related products to professional, industrial, commercial, and retail customers. The company manufactures products under well-known brands such as Sherwin-Williams[®], Dutch Boy[®], Krylon[®], Minwax[®], Thompson's[®] Water Seal[®], and many others. With a global headquarters in Cleveland, Ohio, Sherwin-Williams[®] branded products are sold exclusively through a chain of more than 3,500 company-operated stores and facilities, while the company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers, and industrial distributors. Our Global Finishes Group distributes a wide range of products in more than 109 countries around the world. My purpose in being here today is to support H.R. 908, and I thank you for this opportunity to present our views before the Subcommittee today.

I am here representing the American Coatings Association. ACA is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services.

In my job at The Sherwin-Williams Company, I am responsible for working with business units to facilitate standards-setting, management systems and compliance in the areas of chemical anti-terrorism safety and security, occupational safety, process safety, life and fire-safety, fire research, and workers compensation.

ACA and coatings industry activities on chemical security

The paint and coatings industry has been working to enhance the security of their manufacturing operations over the last decade. Specific steps the ACA has taken include the addition of a new Security Code to our Coatings Care® Stewardship Program. The American Institute of Chemical Engineers' Center for Chemical Process Safety (CCPS) subsequently audited the Coatings Care Security Guidance; and recommended amendments were incorporated to ensure that the Coatings Security Guidance method is consistent with the CCPS's Security Vulnerability Assessment (SVA) criteria. ACA is a long standing key participant in the Chemical Sector Coordinating Council, and continues to work with the Department of Homeland Security (DHS)

on both voluntary and mandatory security measures under the Chemical Facility Anti-terrorism Standards (CFATS).

Since the enactment of CFATS in 2006, the ACA continues its voluntary efforts, such as Coatings Care®, and continues to work with DHS to help members with CFATS compliance. Over the last several years, the coatings industry has worked hard to achieve CFATS compliance, including the submission and conduct of Top-Screens, Security Vulnerability Assessments, and Site Security Plans, along with the further development of proposed action plans requiring further review with DHS. Facilities that were identified as “high risk” were ultimately assigned one of four risk tiers by DHS. This process is ongoing, and while several coatings industry sites have completed this process, including related DHS inspections, other firms await DHS response to their Site Security Plans or Alternate Security Plans.

ACA’s position on CFATS, like many of its colleagues in the chemical industry, has been consistent throughout. ACA supported the original CFATS legislation and strongly supports the current program. This demanding program is now requiring thousands of chemical manufacturers and formulators nationwide to develop and deploy meaningful security enhancements. As a result, ACA supports permanent – or, at least, long-term – reauthorization of the existing CFATS statute in order to allow regulated facilities to continue their implementation of stringent DHS chemical facility security standards in an orderly manner. In our view, it is premature to seek to change the existing framework substantially until it has been fully implemented and we have gained a better understanding of what works, and what does not.

It is important that any uncertainty created by possible short-term reauthorizations is eliminated, so as to provide regulatory clarity, thus allowing affected industries to make prudent business decisions about how best to implement the current regulations. ACA, along with other industry groups, has opposed previous efforts to mandate product and process substitutions with technology established by regulation. Any move away from the current risk-based standards would lead to confusion, loss of viable security products, systems and methodologies, while creating prohibitive legal liability and possible business failures. A move away from risk-based standards would most certainly put U.S. manufacturers at a competitive disadvantage with foreign manufacturers who do not face such requirements. By making the existing chemical security framework permanent, a certainty will be provided that is necessary to enable companies to protect our citizens, and to facilitate economic recovery.

As a result, although ACA has consistently favored permanent CFATS reauthorization, we support the approach taken in H.R. 908, the *Full Implementation of the Chemical Facility Anti-Terrorism Standards Act*. The extension to 2017 provides industry with sufficient breathing room to implement CFATS on a permanent basis prior to a required revisiting of the law seven years from now.

Sherwin-Williams' experience

The Sherwin-Williams Company has long been a leader in ensuring the safety and security of our manufacturing locations, along with extensive distribution and sales channels. Sherwin-Williams works diligently at providing for the safety, security and health of all employees,

customers, and the public. We are continuing to work closely with ACA, DHS and recognized security consultants since the passage of CFATS to comply with our obligations.

Sherwin-Williams has been affected in a very direct way by CFATS, as a considerable number of Company manufacturing and blending operations are covered by the regulation. Many operations throughout the coatings industry are covered, primarily due to commercial grades of raw materials that are commonly used to formulate specialty roof, emissivity, infrastructure, or automotive coatings. As a responsible corporation, Sherwin-Williams has devoted considerable resources to CFATS compliance, and works hard to meet our obligations to neighboring communities, customers, shareholders, and the public.

Examples of Sherwin-Williams' CFATS-related actions include:

- New staff positions in chemical facility anti-terrorism
- Raw material elimination or substitution
- Control of purchasing, sales and inventories
- Development and enhancement of chemical tracking technologies
- On-site and program-related consultative reviews
- Organization-wide safety and security support team development
- Alternate Security Plan development for small facilities
- Development of internal chemical security compliance standards
- Development of Facility Security Officer and employee training
- Development of new risk and regulatory-based management of change systems to improve risk identification, control and action-closure
- Development of employee security awareness training programs

- Extensive work with the ACA, DHS and suppliers to better evaluate the physical properties and risks associated with specified raw material pastes that do not carry the same inherent physical risks as solid versions

In light of our own experience, we agree with the position of ACA and our industry colleagues concerning a more permanent reauthorization of CFATS. Because of the significant requirements placed on our company and other coatings manufacturers during this time of economic challenge and restrained resources, we believe that Congress should continue what is recognized as a very stringent and well-constructed industrial anti-terrorism security program.

On behalf of ACA, I appreciate this opportunity to present the association's views on these important issues. I look forward to your questions.