



ACC MEMBER SURVEY

National Chemical Security Program Vital to Combating Terrorism

February 2024



Background

The chemical industry manufactures products that are vital to the everyday health and well-being of our nation, which is why the Department of Homeland Security (DHS) designated the chemical industry as critical infrastructure.

The chemical industry supports a vast supply chain and creates economic activity across the country. The United States accounts for 11% of the world's total chemical production. American chemistry provides more than half a million jobs, and 94% of U.S. chemical industry firms meet the Small Business Administration's criteria for small businesses.

To help protect the chemical sector, Congress directed DHS to establish the Chemical Facility Anti-Terrorism Standards (CFATS) program. CFATS takes a balanced and focused approach to regulating security. The program allows companies to tailor their approach to address their unique security needs and uses a tiered approach to reduce regulatory burdens, which is especially important for small businesses.

CFATS has a solid 15-year regulatory history and a strong track record for helping to enhance security in many ways.

According to data from DHS, under CFATS there were:

3K+

**SECURITY-
REGULATED
FACILITIES**

60%

**INCREASE
IN SECURITY
MEASURES AT
REGULATED
FACILITIES**

Survey

In January of 2024, the American Chemistry Council (ACC) conducted a survey of member companies doing business in the U.S. to gather their concerns related to the expiration of CFATS.

CFATS provides valuable tools that help companies secure their facilities. Through CFATS, companies submit current and prospective worker's names to be vetted against the FBI's terrorist database. The program also helps companies tap into the knowledge at DHS to identify security vulnerabilities, including cyberthreats.

While the program had been in place for more than 15 years, authorization for CFATS expired on July 27th, 2023. Congressional action is required to restore the program.

The results of this survey demonstrate how valuable and vital CFATS is to supporting national security and helping to protect the chemical sector.

160

**AVERAGE SITE
INSPECTIONS
PER MONTH**

9K

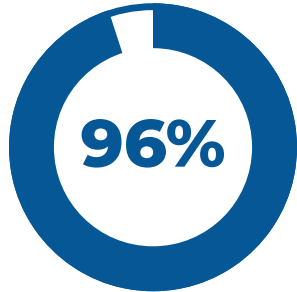
**NAMES PER
MONTH WERE
VETTED AGAINST
FBI'S TERRORIST
DATABASE**

Topline

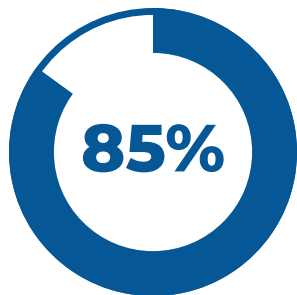
- 96% of companies support Congressional reauthorization of the CFATS program.
- Most chemical manufacturers (85%) are concerned that a continued lapse in CFATS authority will hinder chemical facility security in the U.S. In addition, 76% are concerned that the lapse will have impacts on the program, even if it is eventually reauthorized.
- More than half of the companies (56%) made it clear that chemical security should be regulated at the federal level and not through a patchwork of state programs.
- 75% of companies say the ability to vet personnel against the terrorist screening database was important to security at CFATS facilities and more than half of companies (56%) do not have an alternative way to adequately vet personnel for potential security threats.
- 92% of companies report that DHS audits/inspections were helpful to designing/improving security plans for CFATS facilities. And nearly half of the companies do not have an alternative way to obtain the same level of assistance they get from DHS to develop security plans.
- As time passes without CFATS being reinstated, companies expect to consider modifications to security-related capital spending plans, security measures, chemicals of interest (COI) inventories, and chemical processes.

Overwhelming Support

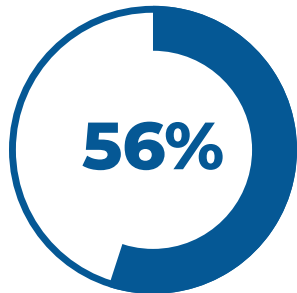
An overwhelming majority of companies expressed support for restoring CFATS and many companies stated they prefer a federal approach to regulating chemical security.



of chemical manufacturers support Congressional reauthorization of the CFATS program.



of chemical manufacturers are concerned that a continued lapse in CFATS authority will hinder chemical facility security in the United States.



of chemical manufacturers would NOT support individual states implementing regulatory programs to address security at high-risk chemical facilities if CFATS is not reauthorized.

Chemical Manufacturers Say:

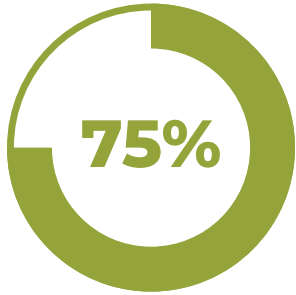
“The CFATS program afforded the industry a risk-based program to mitigate security risks that was easily implemented at large and small facilities. Administrators and field inspectors applied consistent regulatory guidance and enforcement across each state which helps companies to implement security requirements across multiple states with ease. **The CFATS program provides regulatory certainty under CISA’s authority.**”

“We’re greatly concerned about local, state, and other federal agencies moving into the gap created by the lack of CFATS. This could **create a hodgepodge of regulations which may be less effective, duplicative, or contradictory.**”

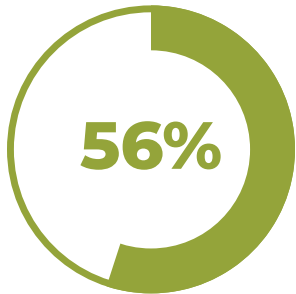
Delivering Value

Vetting Personnel for Ties to Terrorism

Most companies said the personnel vetting provided by CFATS improved security and companies said they lacked alternative methods and/or other options are not as good.



of chemical manufacturers say the ability to vet personnel against the terrorist screening database (TSDB) was important to security for their company's CFATS facilities.



of chemical manufacturers do NOT have an alternative way to adequately vet personnel for potential security threats.

Chemical Manufacturers Say:

"We continue to conduct background checks on employees; however, **the CFATS terrorist screening tool provided a higher level of security check.**"

"The **costs of an adequate alternative are prohibitively high** for our business, and the **results are not as reliable** as through CFATS."

"The use of the CFATS TSDB was a **simple process to get the additional screening** for potential security threats."

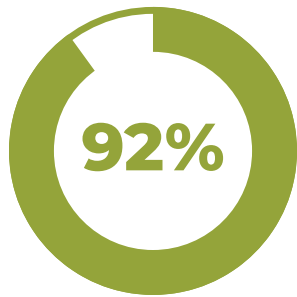
"Based on the size, type and risk of our operations, the **vetting of personnel was of high value.**"

"While we can conduct ...checks through our current background screening provider, the TSDB is not part of that assessment process. This **gap puts our high-risk chemical facilities at risk.**"

"Using traditional background checks **does not verify potential security concerns at a national level.** Only local or regional results."

Implementing Security Plans

Most companies said DHS expertise provided through audits/inspections were useful to developing security plans. And nearly half of the companies said they do not have an alternative way to obtain the same level of assistance for developing security plans that they receive from DHS through working together under CFATS.



of chemical manufacturers say DHS audits/inspections were **helpful** to designing/improving security plans for their company's CFATS facilities.

Chemical Manufacturers Say:

"DHS inspectors had a more **collaborative approach** than typical government inspectors and worked with us to improve security."

"It is possible to contract with external security firms, but these inspections **do not carry the same weight with insurance companies** and are **often limited** to certain locations of the U.S."

"Inspectors had great knowledge / experience and were able to share timely insight into local risk and changing threats."

"DHS **audits were very professional and thorough**. If gaps were identified then the inspector worked closely with the host to **develop credible, cost-effective solutions to close the gap**."

"We used the DHS inspectors and their expertise to **design a security program** that was useful."

"[While contractors can conduct audits,] the costs to do so are prohibitively high for our business, and the results **not as reliable as through CFATS**."

Mounting Concerns

A growing number of stakeholders have expressed concerns to companies regarding potential security risks due to the loss of CFATS.



EMERGENCY RESPONDERS

LOCAL OFFICIALS

STATE OFFICIALS

Emergency responders (e.g. local police and fire departments, emergency management agencies, etc.) have asked about impacts, expressing concerns, and seeking information about “what type of situation they could be walking into with changes in security requirements” and how chemical manufacturers are maintaining their security programs.

Local and state officials (e.g., emergency management, sheriff’s department, the mayor, and Houston Ship Channel Security District, local Air Reserve Base, etc.) are raising concerns as well. Chemical manufacturers have had discussions with local officials about changes to security and sharing of information that could be targeted such as COI locations, etc.

Methodology

This report provides findings from ACC's survey and valuable insight about the importance of the CFATS program to American chemical manufacturers. The report was conducted in January of 2024 and 79 companies participated in the survey, including 62 companies with facilities that were regulated under CFATS prior to the expiration of program authority. Those 62 companies collectively represent 355 facilities that were regulated under CFATS (approximately 11% of all CFATS facilities).

Every effort has been made in the preparation of this publication to provide the best available information. However, neither the American Chemistry Council, nor any of its employees, agents, or other assigns, makes any warranty, expressed or implied, or assumes any liability or responsibility for any use, or the results of such use, of any information or data disclosed in this material. This report was prepared by ACC's Economics and Statistics Department. Questions about the survey and findings may be directed to:

Emily Sanchez | Director, Economics & Data Analytics
emily_sanchez@americanchemistry.com

**Congress Must Support
the Fight Against Terrorism
and Restore CFATS**





