NEWS & COMMENT

Edited by Ed Palko, Senior Editor

ECONOMY

Business Confidence Slips Again in September

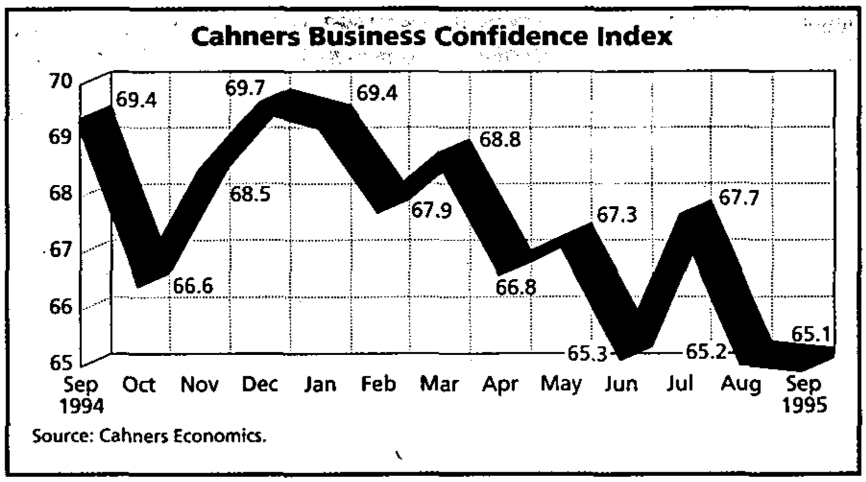
The Cahners Business Confidence Index (CBCI) edged slightly lower in September, declining 0.1 point to 65.1. This is the first time in 1995 that the index has declined for two consecutive months. This fact mirrors the stagnation that has been prevalent throughout the manufacturing sector.

Manufacturing markets have indeed been weak during the past few months. Factory orders fell 1.3% in July — the fifth drop in the last six months. Moreover, the August survey of the manufacturing sector conducted by the National Association of Purchasing Managers (NAPM) brought surprisingly bad news (refer to PLANT ENGINEERING News & Comment 11/6/95). The overall NAPM diffusion index of activity fell from 50.5 in July to 46.9 in August. This drop suggests that the industrial sector as a whole continues to contract despite some encouraging rebound in most consumer markets.

The CBCI's relatively high and sustained level (in the mid-60s) suggests that an upturn in the economy is still in the cards for the final months of 1995. However, its modest slide in 1995 could mean that we're in for an extended transition period between the sluggish growth that has characterized 1995 so far, and the moderate growth that has yet to arrive.

The monthly change in the seven components of the index contained mixed signals. The steepest decline was in plans to increase production/sales, which fell 2.8 points. At the same time, however, plans to increase R&D spending rose 2 points.

Among the four specific manufacturing sectors tracked by Cahners Economics, the results were also mixed. The consumer and electronics industries registered declines over the month, while traditional manufacturing markets and construction product manufacturers reported increases. It appears that the road back from the sluggish growth during the first half of 1995 will be a bit curvier and bumpier than had been hoped. We might be out of the woods, but we have only eased out slightly into the clearing.



LITIGATION

OSHA Develops New Litigation Strategy

A joint litigation and enforcement strategy developed between OSHA and its legal counterpart, the Office of the Solicitor, highlights the targeting of high-profile cases and recalcitrant employers. Assistant Secretary of Labor Joe Dear and Labor Solicitor Thomas Williamson have issued a memo to their regional offices describing in broad terms how the two agencies will select, prepare, and develop cases for litigation.

The new strategy purports to maximize agency resources by identifying criteria that will help OSHA and the Solicitor's Office decide when to settle and when to litigate. Employers who contest citations can expect an impending court battle if OSHA answers "yes" to two or more of these questions:

- Will the violation be classified as willful, repeated, or failure-to-abate?
- Will violations be issued under Section 5(a)(1) of the general duty clause?
- Will penalties be significant?
- Has the inspection revealed serious injuries, illnesses, or fatalities?
- Does the employer have a prior history of OSHA serious citations or unpaid penalties?
- Is the inspection part of a special emphasis program — national, regional, or local?
- Is the employer likely to not abate cited hazards?
- Are there other significant factors in the case (such as a test case issue or emerging hazards)?

It remains to be seen whether the new strategy brings much relief to employers charged with relatively minor violations, or to those employers with a good compliance record, but now charged with relatively significant violations.

TRAINING

Additions to OSHA-Authorized Compliance Training Center Locations

Four more education centers have been added to the network of institutions authorized by OSHA to provide OSHA-approved compliance training. The additions bring to 12 the number of such OSHA Training Institute (OTI) "franchised" centers nationwide. The centers provide training to both OSHA personnel and the private sector regulated community.

Among the numerous curricula offered is compliance with general industry machinery and machine guarding standards, guides to voluntary compliance in safety and health, and voluntary compliance in industrial hygiene. OSHA provides curriculum outlines, master copies of student handout materials, and assistance to the organizations in presenting and/or answering questions on OSHA policy. OTI centers receive no federal funds, but charge tuition fees to course participants.

The new OTI centers and their training locations are:

- A consortium comprising Northern Illinois University, Construction Safety Council, and National Safety Council will offer training in the suburban Chicago, IL area.
- A coalition of the University of Minnesota, Minnesota Safety Council, and University of Cincinnati will offer courses in St Paul, MN, and Cincinnati, OH.
- A joint project of Eastern Michigan University and United Auto Workers union will offer courses in Ypsilanti, MI.
- The University of Washington will offer OSHA courses at its campus in Seattle, WA.

The other (currently-operating) OTI centers and their training locations are: Keene State College (Keene, NH), Niagara County Community College (Lockport, NY), West Virginia University/National Resource Center for Construction Safety and Health (Morgantown, WV), Georgia Tech Research Institute (Atlanta, GA), Texas Engineering Extension Service/Texas Safety Association (Arlington, TX), Maple Woods Community College (Kansas City, MO), Red Rocks Community College/Trinidad State Junior College (Lakewood, CO), and University of California (San Diego, CA).

Additional information on OTI, including descriptions of course content and training schedules, can be obtained from OSHA Training Institute, 1555 Times Drive, Des Plaines, IL 60018; 708-297-4810.

CALENDAR

Crane Mechanical Maintenance. Three-day program will be presented in Orlando; FL, January 31–February 2; Atlanta, GA, February 14–16; and Phoenix, AZ, February 28–March 1. Contact: Harnischfeger Institute, 2712 S. 163rd St., New Berlin, WI 53151; 414-821-4000.

International Air-Conditioning, Heating, Refrigerating Exposition (ASHRAE Show), Atlanta, GA, February 19–21. Contact: International Exposition Co., 15 Franklin St., Westport, CT 06880; 203-221-9232.

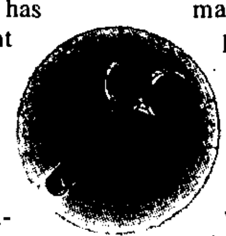
45th Annual Industrial Ventilation Conference, East Lansing, MI, February 11–16. Contact: Christine Hundt, Michigan Department of Public Health, Division of Occupational Health, P.O. Box 30195, Lansing, MI 48909, 517-335-8230.

LITIGATION

Refinery Agrees To Pay $1.2 Million in Penalties

Clark Refining and Marketing, Inc., has agreed to pay the sum of $1,257,000 in fines to resolve a number of citations issued following investigation of a fire and explosion at its Blue Island, IL, refinery that killed two workers and injured three others.

Additionally, the company has agreed to make significant safety improvements, and and to perform a process safety management audit at the Blue Island plant. Terms of the settlement include a mandatory timetable and priority order for correction of any hazards, as well as provisions for interim protection of workers until final corrective action has been accomplished. An independent third party consultant (approved by OSHA) with expertise in conducting process safety management audits in refineries will be part of the audit team.



The accident occurred on March 13, 1995, during repair work on a valve for a hydrocracking unit used in producing gasoline. Operators not trained in maintenance procedures were performing the work, and did not properly lock out the equipment. Pressure in the line blew off the valve bonnet, shooting flammable liquid and vapor 70-ft into a welding shop, where it exploded into a fire that flashed back into the hydrocracking unit. The employees who were killed had been eating lunch in the welding shop. The three operators in the hydrocracking unit suffered severe burns.

COMPLIANCE

OSHA Requirements for Respirators When Workers Wear Glasses

Special provisions apply when workers who wear glasses are required to work in contaminated atmospheres requiring respiratory protection; contact lenses are prohibited in contaminated atmospheres. A full-face respirator must provide a full and proper seal. If face pieces are provided with corrective lenses as part of the face piece, the lenses should be fitted by qualified individuals to provide good vision, comfort, and tight gas seal.

ENFORCEMENT

OSHA and EPA Scheduled to Conduct Joint Investigations in 1996

The Occupational Safety and Health Administration and Environmental Protection Agency will conduct up to 20 joint investigations of chemical and petrochemical plants in fiscal year 1996 as part of a Clinton administration plan to have the agencies assume the responsibilities of a chemical safety investigative board.

Although OSHA and EPA already perform some joint accident investigations, the agencies will use their experiences in fiscal 1995 to develop a "joint investigation protocol" to determine whether an existing memorandum of understanding (MOU) that coordinates agency investigations needs to be updated.

A revised MOU would identify criteria for determining when OSHA and EPA would conduct joint investigations and those instances when inspections would be conducted by only one of the two agencies. EPA and OSHA will also develop a review process, including appointments of so-called "blue ribbon" panels that would issue accident reports following major explosions or chemical releases.

REGULATIONS

Chemical Industry Groups Plan To Oppose Proposed Changes in TRI

The Chemical Specialties Manufacturing Assn. (CSMA) has gone firmly on record as being prepared to vigorously fight any plan by the Clinton administration to add a chemical use inventory to the Toxic Release Inventory (TRI). The Chemical Manufacturers Assn., American Petroleum Institute, and other trade groups are also moving to mount an offensive.

The actions come in the wake of a directive from President Clinton, ordering EPA to expedite a rule-making that would require new groups of industrial facilities to comply with TRI reporting requirements. Said CSMA President Ralph Engel, "The administration once again appears to be punishing the productive sector of society to provide unsubstantiated benefits to some of the public. This is reinvention not of regulation, but of cost-benefit analysis."

Industry officials feel that such regulations would jeopardize trade secrets and competition. According to CSMA and other industry groups, chemical use and exposure are already well regulated under many federal statutes.

COMPLIANCE

OSHA Paperwork Requirements for Inhouse Fire Brigade

What must be covered in the written organizational statement required by OSHA of employers who establish their own fire brigades? The statement must include (a) the basis of the organizational structure; (b) the type, amount, and frequency of training to be provided to fire brigade members; (c) the expected number of members of the fire brigade; and (d) the functions that the fire brigade is to perform at the workplace.