

PLAINTIFF'S EXHIBIT

SH-2506

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OSHA

PC R

SHELL OIL COMPANY

SHELL CHEMICAL COMPANY

DEER PARK MANUFACTURING COMPLEX

DATE April 1, 1977

TO Field Managers - DPMC-Chemical
(Distribution List Attached)

FROM Superintendent-Chemical

SUBJECT OSHA Information

Attached for your review and use is an information document on OSHA prepared for use within DPMC. The document provides basic information about how the Occupational Safety and Health Administration actually functions.

All field supervisory personnel should have an appreciation for the functioning of OSHA. Therefore, at an appropriate time during 1977, you are requested to make copies of this document available to all of your supervisory personnel, to be followed within 1-2 weeks by a presentation/discussion at a foreman's meeting. Copies of the document are available from Maxine at 6247. A series of simple vugraphs have been prepared which "outline" the document, and will assist your presentations. These vugraphs may be obtained from the Safety Department. At your discretion, a member of the Safety Department will attend your presentation and help answer questions.

New foremen will study this same document as part of the foreman's self-study program.

Please make plans to present this information to your field supervisors at your discretion, during the year.



H. J. Bettencourt

HJB:dw

Attachment

cc - L. S. Alpert
C. Baas
R. W. Henry
L. W. Horstman
R. M. Kemball-Cook
D. O. Schissler
Admin. File

THIS COPY FOR -
OF - II

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For Information Only -
R. V. Mattern

DPMC-13990

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OSHA
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OSHA

The Occupational Safety and Health Act established the Occupational Safety and Health Administration within the U.S. Department of Labor to set standards protecting the safety and health of all workers. It applies to all businesses with one or more employees.

The Law In Brief

1. A wide range of standards which industry adhered to on a voluntary basis as national consensus standards were adopted by OSHA a few months after the law went into effect. They are considered permanent standards, although they can be reviewed and modified. Additional permanent standards are promulgated by the Secretary of Labor when research and recommendations by safety and health experts show the need. Emergency standards can be issued to handle dangerous situations but they remain in force no longer than six months. If the emergency standard is needed on a permanent basis, regular promulgation procedures must be followed in adopting it.
2. A broad general duty clause requires all employers to furnish employees with a workplace free from recognized hazards likely to cause death or serious harm. This means that even in the absence of specific standards, companies can be cited by OSHA.
3. Regular on-site inspections of plants, factories and worksites by OSHA inspectors without prior warning are called for. In addition, employees may request inspections if they believe their working conditions violate the standards. An employee representative has the right to accompany the inspector on his tour.
4. Companies with eight or more employees must keep records of job injuries and illnesses as they occur. An annual summary of the injuries and illnesses must be posted for employees.
5. Penalties are mandatory for each serious violation, and optional for non-serious violations. In either case, the maximum civil penalty per violation is \$1,000. A willful violation of the law that leads to an employee death can result in criminal penalties of up to \$10,000 and/or six months in jail. In computing the penalty, OSHA considers the employer's safety history, the company's size and good faith efforts to comply.
6. A company may contest any OSHA citation through the Occupational Safety and Health Review Commission, a quasi-judicial agency which operates independently of OSHA. In addition, companies can get a temporary or permanent variance from a standard from OSHA.

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What's an inspection like?

There are three parts to an inspection: opening conference, walkaround tour, and closing conference.

When the OSHA inspector arrives he/she will present U.S. Department of Labor credentials bearing his/her photograph and a serial number that can be verified by calling the nearest OSHA office. The inspector will then sit down with the employer and explain the scope of the inspection and the applicable standards. If the inspection is the result of an employee complaint, a copy of the complaint will be given to the employer, withholding the employee's name if the employee has requested his/her identity not be divulged. Copies of standards will also be given to the employer at the opening conference.

Next, the employer and employee representatives who accompany the inspector on the tour are selected. If there is a union, it will ordinarily choose the employee representative. The law does not require an employee representative for each inspection. However, if no one is selected, the inspector will talk to a number of employees during the walkaround.

The walkaround tour

During the inspection tour itself the compliance officer will carefully look for violations of all general standards. He/she will have special equipment needed to test for hazards that are not easy to detect, such as gases, fumes, dust and noise. Records will be checked. If violations can be corrected immediately, they will be pointed out to the employer. If they are corrected immediately, it will be noted by the inspector as evidence of the company's good faith in compliance. However, the violations can still serve as the basis for a citation and/or proposed penalty.

Provisions will be made to protect your trade secrets during an inspection. Just point out to the inspector those areas of the plant where secret processes are being carried out. The employer can require that only employees with confidential clearance be allowed to accompany the OSHA inspector in any trade secret area.

The closing conference

At the closing conference, the employer and the inspector will again confer. The inspector briefs the employer on what was found in the workplace and any apparent violations that may exist. At this point, the employer should tell the OSHA inspector how much time is needed to abate violations.

The inspector does not have the authority to assess penalties. In fact, penalties are not even discussed. That's up to the OSHA area director after reading a full report on the inspection.

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The closing conference is the time companies should bring out any monitoring records showing that a hazard found during the inspection is the exception and not the rule. Such records also show OSHA that you have been making a good faith effort to comply, which is considered by OSHA in deciding whether to issue citations and what size penalties should be proposed.

Citations

At the closing conference inspectors can issue citations. However, if all the citations resulting from the inspection cannot be issued at the closing conference, none will be issued until later. If more information such as laboratory analysis of suspected hazards, legal advice, and reference documents is needed to determine a violation, the citation will not be issued at the worksite. In actual practice, probable citations are usually mentioned by the inspector at the closing conference, and confirmed by the OSHA area director with a written citation and penalties within a reasonable period.

Types of violations

Violations are categorized according to the degree of hazard they pose for workers. Any company inspected and cited by OSHA should be familiar with the three types of violations. It's essential knowledge for assessing the fairness of the citation and making a decision to accept or challenge it.

A serious violation is one that carries a substantial probability of causing death or serious physical harm to a worker. However, if the employer could not reasonably be expected to know about such a hazard, it will not be classed as serious. Health hazards, trenching violations, worker exposure to ungrounded electrical equipment, and danger of falls could all be classed as serious.

A nonserious violation is one that poses a minor threat to a worker. Failure to maintain OSHA records or to provide personal protective equipment where hazards are minimal would probably be classed as nonserious. Nonserious violations often carry no penalties at all. OSHA also makes note of violations that bear no immediate or direct relationship to worker safety and health. They are called de minimis violations and citations and penalties are not issued for them. An example of a de minimis violation is the lack of partitions in sanitary toilet facilities.

Willful or repeated violations are assessed the highest penalties. To be cited for a willful violation an employer must have intentionally and knowingly violated a standard or known that a hazard existed and made no effort to eliminate it. A repeated violation is charged if the employer has been cited once for a violation, abated it, and at a later inspection found in violation of the same standard.

Penalties

Most penalties for violations are civil and fines can go as high as \$1,000 on a single violation. Criminal penalties can be imposed for a willful violation that results in a worker's death. Fines here can go up to \$10,000 and/or up to six months in jail. A second criminal conviction doubles these maximums.

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Generally, no penalty is set for first-time, nonserious violations. Penalties for serious violations currently average over \$600 per violation. Before proposing any penalty, OSHA will consider the severity of the violation, the size of the company, its good faith attempts to comply with standards, and the company's past safety history. All these factors work to benefit any company that is making an effort to comply and they are reflected in the size of the penalties OSHA proposes.

If you receive a citation

If the citation is not issued by the inspector, it will be sent to the employer by certified mail, usually within a few days of the inspection. The citation will spell out the violations and the time the company has to correct them.

All citations must be posted at or near the place the violation occurred for three days or until the violation is abated, whichever is longer.

Extra abatement time

Any company having trouble correcting a violation within the time specified in a citation can appeal for a time extension. These appeals for extra time are called petitions for modification of abatement requirements, or PMAs. They should be made in writing to the OSHA area director who issued the citation.

To qualify for an extension, a company must be able to show that it has made a good faith effort to meet the deadline but couldn't because of factors beyond its control.

The PMA should include the following information: (1) all steps taken by the employer to meet the abatement deadline and when they were made; (2) the specific additional time needed; (3) reasons the extra time is needed, such as the unavailability of professional or technical personnel, or materials and equipment, or the inability to complete construction or plant alterations; and (4) interim steps being taken to protect employees from the cited hazard.

The petition should be filed with OSHA no later than the close of the next working day following the abatement deadline. A copy of the petition must be posted for 10 days for employees to see. Employees or their union can file a formal objection to the time extension, although they usually do not.

If OSHA denies the time extension, or if employees object to it, the request automatically goes to the Occupational Safety and Health Review Commission for a decision. The company bears the burden of proving that it tried to meet the deadline.

Failure to abate

Failure to correct violations can be costly. OSHA has the right to reinspect and does so with greater frequency than one would anticipate, considering the limited size of its inspection staff. If the same violations remain after the abatement period has expired, OSHA can propose penalties of up to \$1,000 per day per violation.

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Miscellaneous violations

There are a few other violations that can also carry penalties. Any employer caught falsifying records, reports or applications can be fined up to \$10,000 and face six months in jail. Failing to post citations can bring a civil penalty of \$1,000. And assaulting an OSHA inspector or resisting, opposing, intimidating or interfering with an inspector is a criminal offense subject to a fine of up to \$5,000 and imprisonment for not more than three years.

Inspection priorities

Top priority on the inspector's list goes to reports of "imminent danger" situations. The law defines "imminent danger" as any condition or practice which is reasonably certain to cause death or serious physical harm, either immediately or at least before the danger can be eliminated through normal enforcement procedures. "Serious physical harm" is defined as any type of harm that could cause permanent or prolonged damage to the body or temporary disability requiring hospitalization. In some circumstances a health hazard might fall into this category. One possible example is an extremely high concentration of toxic substances or dangerous fumes, dusts or gases, exposure to which would cause irreversible shortening of life or reduction in physical or mental efficiency.

Employees are expected to alert employers about imminent danger situations. If the employer takes no action, the employee can go to OSHA requesting an inspection. If an OSHA inspector finds an imminent danger, the company will be asked to voluntarily correct the situation and remove employees from the hazard area until the danger is eliminated. If the company does not abate, OSHA will go to the nearest federal district court seeking a court order demanding employer action.

OSHA inspectors give second priority to the investigation of fatalities and accidents resulting in the hospitalization of five or more employees. All such situations must be reported to OSHA within 48 hours. Third on the inspection list is employee complaints of alleged standards violations. General inspections are sometimes made as the fourth priority.

Reports and Recordkeeping

There are three basic forms to be filled out — OSHA Forms 100, 101, and 102. All employers with eight or more employees must complete them. The forms consist of a log, a supplementary record, and an annual summary. Both part-time and full-time employees should be included in the reports. If selected by the Bureau of Labor Statistics to participate in periodic statistical surveys, companies with seven or fewer employees must complete OSHA Form 103. It asks for basic injury and illness data.

OSHA Form 100: Log of Occupational Injuries and Illnesses

Companies must record every job-related injury or illness in this log within six working days from the time they learn of it. Included in the log are the date of each injury or the onset of illness, the employee's name and occupation, the department in

which he/she works, the nature of the injury or illness, the number of lost workdays, and any adjustment in the employee's job due to the injury or illness, such as temporary or permanent reassignment due to injury or illness.

OSHA Form 101: Supplementary Records

This form is just what its name says it is -- a supplementary follow-up to Form 100. Each injury and illness must also be reported on this form within six working days. It is basically used for recording any additional information about injuries and illnesses an employer has that is not called for on the log. Workmens' compensation reports or insurance accident reports may be substituted for OSHA Form 101. The only time they would be needed is if they give more details about an illness or injury than is supplied on OSHA Form 100.

OSHA Form 102: Summary of Occupational Injuries and Illnesses

This is a calendar-year record of all recordable injuries and illnesses for the prior year. It must be prepared even if there were no reportable accidents or injuries, signed by a responsible executive, and posted for the entire month of February. It should be posted in all spots in the workplace where employees' notices are usually placed. This could mean one place or several. If a company has more than one business site, a copy should be posted in each location. This is a simple report to compile because it requires only the tabulation of injuries and illnesses rather than detailed descriptions of them.

What must be recorded?

OSHA defines "occupational injury" as any injury such as a cut, fracture, sprain or amputation which results from a work-related accident or from exposure involving a single incident in the work environment. An "occupational illness" is any abnormal condition or disorder, other than injury, caused by exposure to environmental factors associated with employment. It includes acute and chronic illnesses or diseases which may be caused by inhalation, absorption, ingestion, or direct contact.

In addition to being work-related, the injury or illnesses must have caused one or more of the following: (1) death; (2) a lost workday; (3) a day of restricted work activity; (4) loss of consciousness; (5) transfer to another job; or (6) medical treatment other than first-aid (one-time treatment of minor scratches, cuts, burns, splinters, etc., which don't ordinarily require medical care).

None of the forms must be returned to OSHA but employers must keep them up-to-date and on file for OSHA inspection. All of the above records must be kept for five years.

Reporting a death or multiple injuries

If an on-the-job accident occurs which results in the death of an employee or the hospitalization of five or more employees, OSHA requires an employer to report the accident to the nearest OSHA office. The report must be made within 48 hours.

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Job safety posters

Posters telling employees about the job safety law and their rights under it must be on display in all workplaces.

Employee Rights and Privileges

The law gives employees several important rights and privileges. One is the right to request a workplace inspection without being identified to the employer. The other is the right to accompany the inspector on his walk-around tour of the workplace. Employees can also file specific complaints of job safety and health violations with OSHA.

The law expressly protects employees from being fired (or from any other reprisal) for filing a complaint, requesting an inspection or testifying in any OSHA proceeding. However, this does not mean employees are immune from discharge or discipline for legitimate reasons. It simply means that activity protected by the safety and health law can't be the sole reason for an employer's decision to fire a worker. The law also protects an employee from discharge because he/she complains to the employer about inadequate safety conditions on the worksite.

Employees have the right to inspect copies of OSHA standards, rules and regulations. This means companies must have them available at the workplace. Companies are also expected to answer employee questions about safety and health hazards in their work area, explain precautions being taken and procedures employees must follow. Employees also have the right to see data from monitoring or measuring hazards.

Employee responsibility for safety

Employees who refuse to comply with OSHA standards or valid safety and health rules issued by the employer should be disciplined. Failure to enforce plant safety rules increases the employer's vulnerability. This would include employee refusal to wear protective equipment, a problem many employers are facing in trying to bring their plants into compliance.

Under the law, not only are employers required to provide workers with personal protective equipment, they must also see to it that it is used. Many employers are being cited and fined because their employees fail to use gear such as hard hats, protective goggles, ear protection, etc. However, employers will not be held responsible for isolated and unauthorized actions by employees. Review commission decisions have stated, "An isolated brief violation of a standard by an employee which is unknown to the employer and is contrary to both the employer's instructions and a company work rule which the employer has uniformly enforced does not necessarily constitute a violation of the Act."

How standards are set

OSHA standards are generally aimed at all companies in all industries rather than at a specific industry. The exceptions are construction, maritime and agriculture, which have separate sets of standards.

When the need for a new standard develops, OSHA often publishes its intent to develop such a standard in the Federal Register asking for information and recommendations from industry, labor, and safety and health specialists. Also, the National Institute for Occupational Safety and Health (NIOSH) provides standards recommendations in the form of criteria documents and also special data.

The next step is formal proposal of the standard, again in the Federal Register. This notice will usually call for both comments and hearings. That can go on for months, or even years as in the case of the noise standard.

An economic impact study is done to determine what the standard will cost industry to implement at various control levels. When everyone has had their say, the final standard is issued in the Federal Register with the compliance deadline.

Temporary emergency standards

The law directs OSHA to issue temporary emergency standards to meet imminent health or safety hazards head on. An emergency standard can come like a bolt out of the blue when a new hazard is identified. However, the emergency standard route is not one OSHA likes to use. So far only asbestos, lead, vinyl chloride, and diving have posed threats serious enough for emergency standards. Under the law emergency standards are good for only six months. They must then be replaced by a permanent standard or all restrictions are lifted.

The most basic standard -- general duty

The general duty clause is OSHA's tough club. This is the standard OSHA uses when there's nothing on the books to cover a particular hazard. It requires that every employer engaged in interstate commerce furnish workers with "a place of employment free from recognized hazards that are likely to cause death or serious physical harm."

The key word in the general duty clause is "recognized" hazard. This has been interpreted by OSHA and the Review Commission to mean a hazard that is apparent. If the employer cannot reasonably be expected to know a hazard exists, he will not be cited for a general duty violation even if the hazard results in death or serious injury to an employee. A test that is often used to decide whether a hazard is a "recognized" one is the awareness of the hazard within the industry.

Health Standards OSHA's Prime Target

From now on, business can expect OSHA to place greater and greater emphasis on setting occupational health standards. "Worst first" will continue to guide OSHA's approach to problems. That encompasses standards for substances that cause killing diseases such as cancer, as well as standards for hazards posing health threats to great numbers. For instance, the number of workers exposed to any one kind of carcinogen in a

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workplace is limited. Nonetheless OSHA wants to control the carcinogen because failure to do so has such serious consequences. By the same token, workers don't die from exposure to excessive noise yet work-related hearing damage and loss is faced by employees in virtually every industry. OSHA has been working on a new noise standard for the past two years.

Many of the health standards currently on the books are being revised and made tougher. In cooperation with NIOSH, more than 400 "quasi-standards" that expressed workplace limits on toxic substances in terms of threshold limit values are being revised into full fledged standards. When completed they will contain specific requirements for monitoring, medical surveillance of employees, sanitation procedures, ventilation, personal protective equipment and recordkeeping.

Other health standards are slated for significant reductions in the maximum levels that can be found in the workplace over any eight hour period. Asbestos, lead, toluene, and untold numbers of industrial chemicals will have new rules for worker education and use of engineering controls to lower exposure, in addition to the monitoring and medical surveillance.

National Institute For Occupational Safety And Health

The National Institute for Occupational Safety and Health (NIOSH) is the agency with prime responsibility for developing new safety and health standards for OSHA's consideration. It is set up within the Department of Health, Education and Welfare and recommends standards to OSHA.

One of NIOSH's main jobs is developing criteria documents. These are basically standards recommendations for OSHA to consider. They recommend exposure standards, labeling and warning specifications, symptoms of exposure and other diagnostic information and precautionary measures, such as protective equipment and monitoring information.

So far, NIOSH has turned out 24 criteria documents. That may not sound like much, but employers can expect to see some form of standard develop from each of them. They cover: ammonia, asbestos, benzene, beryllium, carbon monoxide, carbon tetrachloride, chloroform, chromic acid, chromium VI, chlorine, coke oven emissions, cotton dust, crystalline silica, emergency egress, ethylene dichloride, hot environment, hydrogen fluoride, identification system, inorganic arsenic, inorganic fluorides, inorganic lead, inorganic mercury, isopropyl alcohol, methylene chloride, nitric acid, noise, phosgene, sodium hydroxide, sulfur dioxide, sulfuric acid, toluene, toluene diisocyanate, trichloroethylene, ultraviolet radiation, xylene, zinc oxide.

But NIOSH does not exist solely to turn out criteria documents. It has responsibility for basic health and safety research. It tests for toxicity and compiles an annual list of toxic substances. NIOSH also has established special courses to train industrial health professionals including nurses, doctors and industrial hygienists. The big emphasis at NIOSH today is on identifying and developing standards recommendations for occupational carcinogens. Correlations between work environments and specific types of cancer are just beginning to surface.

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One of NIOSH's new programs is a Medical Alert sent to health professionals in government, industry and labor. When survey data detects a current health threat, these NIOSH alerts, with capsulized information on the hazard background and recommended control action, are sent out. Polyvinyl chloride was one of the first such alerts. The latest covers silicosis in the sandblasting industry. So far the alerts have been for carcinogens but future alerts may deal with non-cancer causing hazards as well.

NIOSH workplace inspections

Although OSHA generally conducts workplace inspections for health hazards, NIOSH has a hand in some of them. As the health hazards research agency, it has authority to investigate actual working conditions. NIOSH will contact the company, explain the research being done and why the company was selected for investigation. Trade secrets learned during the visit will be carefully screened out of any data NIOSH makes public.

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