

MARCH/APRIL 2003

Industry Commits to New Level of Promoting Propane Safety

The industry's Propane Emergencies Program has set the bar for other industries to follow by establishing lasting partnerships between the propane industry and the emergency response community. However, as successful as this effort continues to be, much work remains.

The Propane Education & Research Council (PERC) continues to provide the industry with a wide array of tools to enable all marketers to establish safety and training as a core competence within their workplaces.

Joe Rose, chairman of PERC's Safety and Training Advisory Committee (STAC), explains: "We're targeting both the customers and our employees... because if our employees are better trained on how to communicate with their customers and how to do things more safely, then they're going to do a better job of conveying that confidence to the customers."

The propane industry's reputation for safety will not remain intact without the commitment, involvement, and hard work of industry members. PERC has designed its safety and training program much like a toolbox, filled with practical

tools and blueprints for success in safety. Through continued use of these tools, the industry can construct a solid foundation for competitive growth and even increased sales.

Expanding the Toolbox

In December 2002, PERC finalized its acquisition of the National Propane Gas Association's (NPGA) Safety and Training programs, including the Certified Employee Training Program (CETP) and GAS Check®.

This partnership will enable the propane industry to make flexible, user-friendly, low-cost training materials available in a variety of formats. With the help of NPGA, PERC is planning a revised and updated CETP program for availability later this summer. PERC plans to offer several CETP orientation sessions across the country to educate state affiliates and marketers about the technical and administrative changes of the revised training program.

PERC also plans to revise other NPGA-developed programs, such as the "Dispensing Propane Safely" video.

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Continuing the Momentum

The 2003 national and local advertising campaign continues in full swing this spring, strengthened by new opportunities and expanding state participation.

The number of consumers reached with targeted messages will increase in April and May, thanks to a new opportunity in *American Profile* magazine. PERC secured placement in the home editorial portion of this national Sunday paper insert, which will reach 5 million consumers – 80 percent of whom reside in C and D counties. A water heater-focused ad will be accompanied by editorial content highlighting the benefits of propane-powered water heaters – continuing our efforts to expand propane usage year-round.



Progress continues in the expansion of the local advertising campaign. In addition to the 22 local markets currently showing propane advertising, PERC will add up to 25 new local markets in fall 2003. The selection criteria for these additional markets were approved at the March 27-28 Council

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Grilling Outreach Heats Up for the Summer

Peak grilling season is almost here and with it comes the launch of the 2003 Safe Grilling Campaign. The campaign, which promotes safety tips for grilling with propane, kicks off Memorial Day weekend and will run throughout the summer.

The campaign includes marketing materials, radio promotions, and an extensive media relations campaign targeting television, radio and newspapers.

The marketing support materials are available to retailers to promote safe grilling on a local level. They include a safety tips flier, which may be used as a bill stuffer or a handout. This flier is a great way to communicate with customers by providing a public service message and to promote your business. For showroom displays, a hangtag and table top card, which can double as a cage placard, are available.

To order materials, available in May, call 1-866-780-8411.

Efforts to place stories about grilling safety will focus on the three summer holiday weekends, Memorial Day, Fourth of July and Labor Day. Local market television will be used to disseminate the message nation-wide. A video news release (VNR) featuring celebrity spokesperson, Mr. Bar-B-Que America—Rick Browne—will provide great grilling ideas followed by a propane retailer grilling safety tips. Versions of the VNR will be distributed Memorial Day and again on the Fourth of July.

A pre-recorded safe grilling story will be distributed to 6,500 radio stations throughout the country. Radio promotions talking about safety tips and awarding free tanks of propane and a grill also are planned.

A full-page, pre-produced grilling story will be distributed to top newspaper food sections nationwide, while a smaller article will be provided to rural and suburban newspapers around the country.

Assisting this effort are several partners, including CharBroil, who is providing grills free of charge and including safety tips information in more than 3 million grill sets in 2003-2004.

State associations will receive campaign materials, including the VNR, press releases, sample point-of-purchase materials, and a Q&A, and are encouraged to contact local press and propane retailers for participation.

For additional information on the safe grilling campaign, contact Kate Caskin at 202-452-8975 or kate.caskin@propanecouncil.org, or Jay Osgood at 202-973-5800 or josgood@porternovelli.com

Propane Ad Kit Goes Online

The popular Propane Advertising Kit, an extension of PERC's nationwide consumer education program, will move online in early June 2003. Available for easy download, the kit will include: print ads, bill stuffers, TV and radio advertising, artwork for billboards, logos, and graphics standards. Each ad incorporates the *Propane. Exceptional Energy* brand, as well as imagery from PERC-funded broadcast and print advertising that consumers will recognize from the national campaign. In addition, the ads can be customized with individual marketer logos and contact information. Look for the kit in the Resource Library of www.propanecouncil.org.

CONTINUING OUR MOMENTUM *continued from page 1*

meeting. PERC will announce the new markets at the National Propane Gas Association's Pinnacle Conference in June.

The Consumer Education Partnership with States Program, another key component of the overall advertising campaign, continues to grow.

From billboards to radio, more states are expanding consumer awareness through their own local efforts. From 2001 to 2003, participation in the program has more than tripled! Now 35 states are involved and the number keeps growing. Here are some of the ways states are making the most of their partnership program dollars:

Missouri

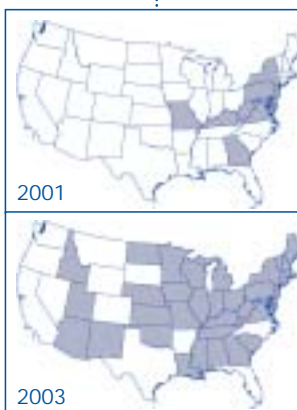
A program partner since the beginning,

their marketing plans have evolved from statewide radio sponsorships and community newspaper advertising in 2001 and 2002 to a coordinated TV, radio, and print advertising effort that offers consumers a \$350 rebate on new water heaters.

Missouri is also measuring the success of this program by doing tracking research through Wirthlin Worldwide.

Wisconsin

In 2002, Wisconsin developed a statewide outdoor campaign, and in 2003 their program grew to a mini-national campaign, which began in February (TV and radio). Wisconsin PGA is also tracking the success of the campaign.



Gearing Up For Clean Cities

Propane partners are continuing to coordinate industry involvement for the 2003 Clean Cities Conference in Palm Springs, CA. Efforts are under way to secure speaking opportunities for industry representatives, confirm propane-fueled vehicles for display and use in the Ride and Drive event, and coordinate promotional activities at the PERC booth.

Speakers

Brian Feehan, executive director of the Propane Vehicle Council, secured speakers from Danone Waters of North America, a marketer of popular bottled waters, and the Portland School Bus District to highlight the business

benefits of using propane motor fuel.

Vehicles

Ford Motor Company will provide an F150 original equipment propane-fueled pickup truck for the popular Ride and Drive event to take place May 18.

The following propane-fueled vehicles and equipment have been confirmed for use at the booth:

- Schwan's delivery truck
- President Bush's pick up truck
- Propane dispenser

Propane partners are hoping to also include a propane-fueled school bus. Clean Cities Conference organizers are developing

an alternative fuel school bus theme for this year's show, making this an important component of our booth presence.

Promotional Activities

PERC President Roy Willis will present the third annual *Propane Exceptional Energy Fleet Awards* at the propane booth on May 19. An ice cream social, sponsored by Schwan's, will coincide with the award ceremony, and a propane grill raffle will follow. The award and associated ceremony are outstanding opportunities to recognize successful propane partnerships with original equipment manufacturers and fleet managers, as well as to generate new relationships.

Water Heater Campaign Targets Spring Home Improvement Season

To capitalize on the spring home improvement season, PERC will intensify its national advertising and media relations through the spring. Retailers can leverage these efforts locally by using the water heater marketing support materials now available through the 2003 *Resource Catalog*.

Retailers can receive a brochure, a bill stuffer, and retail ads designed

to drive consumer interest and demand by informing consumers of the efficiency and savings of propane-fueled water heaters. The target for these materials is the replacement market—those

customers that currently own an electric water heater and that could replace it with a propane water heater.



The national water heater campaign also will include cable network advertising on Discovery, HGTV, TLC, and CMT. A video news release will be distributed to local network affiliates nationwide, and 60-second radio news

story will target 6,500 radio stations.

For additional information on the water heater campaign, contact Tracy Burluson at 202-452-8975 or tracy.burluson@propanecouncil.org.

New Resource Catalog Now Available

NThe 2003 *Resource Catalog* is the latest cooperative venture of PERC and NPGA, offering a volume of propane educational resources and marketing tools for all industry members in an efficient "one-stop shopping" experience.

The updated catalog is packed with brochures, promotional items, safety materials, compliance guides, videos, and CDs. They can help you promote your business to consumers, maintain compliance with regulations, educate consumers, brand uniforms and vehicles, and stand out at trade shows.

If you would like to receive a copy of the 2003 *Resource Catalog*, please contact Alicia Proia at 202-452-8975 or alicia.proia@propanecouncil.org.

Technology

Safety and training materials in a variety of formats including the Internet and DVD will be provided. PERC recently funded the development of a Safety and Training Online Resource that will allow the industry to easily access training programs, compliance issues and a multitude of other safety- and training-related materials.

At its meeting in New Orleans, STAC planned its next steps for a Propane Industry Workplace Injury study and the deployment of new technologies, such as a STAC Virtual Team Room, which will allow industry members to share information and resources more efficiently.

In 2004, PERC also plans to start working to make CETP available on the Internet.

Metrics

PERC is funding initiatives that will provide measurement tools to better allow the industry to gauge the effectiveness of its safety management programs.

The initiatives include the Propane Industry Data Collection project and the Propane Industry Workplace Injury Study, which will identify costs and causal factors of workplace injuries in the propane industry.

Consumer Safety

PERC is moving forward with an aggressive campaign to educate consumers. The program will include the development of consumer safety materials in foreign languages, as well as industry outreach to marketers with tips and best practices on using safety messages to communicate with customers. This campaign is being coordinated by a broad industry coalition that includes PERC's STAC and Consumer Education Advisory Committees, as well as NPGA's Education, Training, and Safety Committee as a means to avoid duplication of effort and to leverage each group's respective core competencies, while at the

same time being able to coordinate and communicate a comprehensive strategic framework for educating consumers on using propane safely

Forklift Market

PERC has developed a comprehensive forklift marketing program that coordinates research and development, safety and training, and promotion and outreach. The program includes a newly developed forklift brochure, attendance and support at forklift tradeshows, media outreach initiatives, and strategic industry partnerships.

This is an exciting time to be working for the propane industry—one that will set our industry as a model for others to follow. We are eager to continue to work with all industry stakeholders toward developing best-in-class safety and training programs. For more information contact Stuart Flatow at 202-452-8975 or stuart.flatow@propanecouncil.org.

Calendar

May 30-31, 2003 – New Orleans, LA
Council Meeting

July 24-25, 2003 – Washington, DC
Council Meeting

September 18-19, 2003 – Bar Harbor, ME
Council Meeting

December 4-5, 2003 – Houston, TX
Council Meeting

We've Moved

The Washington, DC headquarters of PERC has moved. Please update your files to reflect the change:

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PROPANE MARKETER COMPLIANCE

NEWSELETTER

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INSIDE THIS ISSUE

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Future Issues:

- Impact of Recent Regulatory Changes by State Governments
- Authorities Having Jurisdiction and Code Enforcement
- Uncertain about Hazardous Material Routes in Your Area? There's a website you can check



U.S. Chemical Safety Board: Its Relation to Propane Safety

A federal government agency that is not well known to many in the propane industry is the U.S. Chemical Safety and Hazard Investigation Board (CSB). Congress in Section 112(r)(6) of the Clean Air Act directed that the CSB investigate, determine, and report to the public in writing, the facts, conditions, and circumstances, and the cause or probable cause of any accidental release resulting in fatality, serious injury or substantial property damage. The CSB is an independent, scientific investigatory agency, not a regulatory or enforcement body. It began its operations in 1998.

The mission of the CSB is to promote the prevention of major chemical accidents at fixed facilities. With the advent of the Department of Homeland Security and the attention focused on potential terrorist threats, the CSB and its investigations that parallel the Department of Transportation's National Transportation Safety Board (NTSB) will likely have some impact on future regulatory development of the federal government's rules for handling, storing, and transporting hazardous materials. The CSB collaborates with the Environmental Protection Agency, Occupational Safety and Health Administration, and other agencies. It has entered into a number of memoranda of understanding to define how it will interact with these and other agencies and coordinate actions in joint investigatory efforts.

One of the federal agencies that routes incident reports and data to the CSB is the U.S. Coast Guard's National Response Center. The U.S. Coast Guard is now in the Department of Homeland Security. On its website, the CSB maintains a listing of reported incidents and accidents, along with investigation reports. To view these go to the CSB website at <http://www.csb.gov>.

The most likely scenario that would lead to CSB (and possibly other governmental agency) contact with a propane marketer or gas producer is a bulk plant, customer site, or terminal incident. For example, the 1998 Albert City Iowa incident led to an investigation by CSB officials. NPGA satisfied the CSB's recommendations and on May 20, 2002 received notification that the status of the recommendations had been changed to "Closed – Acceptable Action." Although this incident was resolved favorably for the industry, it should serve as a reminder that marketers need to remain vigilant when it comes to safety.

What Impact Will the New Department of Homeland Security Have on Regulatory Developments and Enforcement for the Propane Industry?

Just after noon on November 25, 2002, President George W. Bush signed H.R. 5005, the Homeland Security Act of in the East Room of the White House. The act created the largest single change in the executive branch of the federal government since 1947 when Congress and President Truman merged the various branches of the U.S. Armed Forces into the Department of Defense. The new department, focused on preventing terrorism, puts some 22 agencies that existed in other cabinet-level departments under its management.

A number of transportation sector trade publications had been reporting for some time before Congress acted to create the new department that many regulatory initiatives (especially in the Department of Transportation (DOT), Department of Energy, and Department of Commerce) related to transportation and hazardous materials security, were on hold until functional boundaries between these

departments and the new Department of Homeland Security were worked out. A particular issue of interest to the propane industry and transportation companies caught in the transition was the security of stored and transported hazardous materials. Even before Congress passed the Homeland Security Act, however, Congress directed that DOT's Research and Special Programs Administration (RSPA) would continue to be the lead regulatory agency in this area, and that RSPA should not delay implementing hazardous materials transportation security programs. (See related article below.)

Now that the new department is formally in place and has operating funds in the federal budget, it is moving toward increased action as seen in recent U.S. Coast Guard regulations creating port hazardous materials security zones affecting water vessel movement of propane and other materials.

RSPA Announces New Security Plan and Hazmat Employee Training Requirements

RSPA announced in a final rule in the March 25, *Federal Register*, that new regulations require shippers and carriers of hazardous materials to develop and implement security plans. The new rules also require adding a security training component to mandatory hazmat employee training programs, sometimes called "first 90-days and recurrent DOT training" for propane marketing firms and transportation companies (persons who offer or ship hazardous materials in commerce).

Although the rule became effective March 25, there are limited delayed deadlines for certain requirements of the new rules. Specifically the regulations require:

Security Awareness Training—No later than the date of the first scheduled recurrent training after March 25, and in no case later than March 24, 2006, each hazmat employee must receive training that provides an awareness of security risks associated with hazardous materials

transportation and methods designed to enhance transportation security. This training must also include a component covering how to recognize and respond to possible security threats. After March 25, new hazmat employees must receive the security awareness training required by this paragraph within 90 days after employment.

In-Depth Security Training—By December 22, 2003, each hazmat employee of a person required to have a security plan in accordance with Subpart I of this regulation must be trained concerning the security plan and its implementation. Security training must include company security objectives, specific security procedures, employee responsibilities, actions to take in the event of a security breach, and the organizational security structure.

Security Plans

By September 25, 2003, each person who offers transportation in commerce or transports in commerce one or more of the hazardous materials (listed in the regulation) must develop and adhere to a security plan for hazardous materials that conforms to the requirements of [49 CFR §§ 172.800-172.804].

The security plan must include an assessment of possible transportation security risks for shipments of the hazardous materials listed in § 172.800 and appropriate measures to address the assessed risks. Plan components must include:

1. **Personnel security.** Measures to confirm information provided by job applicants hired for positions that involve access to and handling of the hazardous materials covered by the security plan.
2. **Unauthorized access.** Measures to address the assessed risk that unauthorized persons may gain access to the hazardous materials covered by the security plan or transport conveyances being prepared for transportation of the hazardous materials covered by the security plan.
3. **En route security.** Measures to address the assessed security risks of shipments of hazardous materials covered by the security plan en route from origin to destination, including shipments stored incidental to movement.

The security plan must be in writing and must be retained for as long as it remains in effect. Copies of the security plan, or portions thereof, must be available to the employees who are responsible for implementing it, consistent with personnel security clearance or background investigation restrictions and a demonstrated need to know.

The security plan must be revised and updated as necessary to reflect changing circumstances. When the security plan is updated or revised, all copies of the plan must be maintained as of the date of the most recent revision.

FMCSA Revises Its Fines Schedule; Agency Is Pushed to Deliver Final Rule on Driver Hours of Service

The Federal Motor Carrier Safety Administration (FMCSA) has recently announced in the March 31 *Federal Register* increased fines in Appendix A and B to Part 386 for some of its enforcement activities.

The increases in penalties for various violations range from \$20 to \$10,000 per occurrence. The smallest fine listed was \$200 and is now \$220, while the largest fine was \$100,000 and is now \$110,000.

Another recent event affecting FMCSA regulations occurred when the federal agency was directed by a federal court to issue its proposed changes in driver hours of service as a final rule as soon as possible.

The court ruling came out of a lawsuit filed by highway safety interest groups. The ruling and recent changes in Canadian hours of service rules for drivers, which reduce on-duty and driving times while increasing mandatory consecutive rest hours, are indications of imminent changes in U.S. driver hours. The agency has indicated that new hours of service regulations will be announced by May 31, 2003.

Regulatory Reminder

- Verify EPCRA Hazardous Material Inventory Tier I or Tier II reports (as appropriate) for calendar year 2002 were filed with the appropriate emergency planning agencies. The due date was March 1, 2003.
- File annual DOT Hazardous Material Transporter/Shipper registration (as appropriate) during May or early June. Annual filing deadline is June 30. Note the fee reductions from previous annual filings.

Do you have compliance issues or concerns that are of particular interest to you and that would be helpful to others in the propane industry if covered in this newsletter?

Send your feedback to Gordon Frey via fax 270/753-9807 or by e-mail to g.frey@its-training.com.