

TURNING A REGULATORY SCARE INTO A SUCCESS STORY



OVERVIEW

When companies undergo inspections by the Pipeline and Hazardous Materials Safety Administration (PHMSA), the outcomes can carry significant weight. Even when operations are conducted with care, inspectors may raise questions or issue findings that create immediate uncertainty. This was the case for a leading chemical distributor who received allegations of closure instruction violations during an exit briefing. The company was unsure how to respond, whether the claims were supported by regulation, or how to appropriately engage with the investigator. HazMat Safety Consulting (HSC) provided step-by-step guidance that resolved the issue with no penalties and no record of non-compliance, while also recommending improvements to strengthen the chemical distributor's compliance program.



THE PROBLEM

The chemical distributor's challenges began during a PHMSA site visit. At the conclusion of the inspection, the investigator presented an exit briefing alleging closure instruction violations. The allegations carried the risk of formal enforcement action, but the client lacked clarity on how to respond. Several obstacles became immediately apparent:

- **Uncertainty about validity:** The company was not sure whether the allegations were accurate or supported by the Hazardous Materials Regulations (HMR).
- **Lack of direction:** Without prior experience responding to this type of allegation, the chemical distributor did not know the proper steps to take or how to interact with the investigator.
- **Fear of consequences:** The potential for penalties or a recorded violation created concern about financial impact, reputational damage, and future regulatory oversight.

Beyond these technical and operational concerns, there was also a human element. The company felt pressure and apprehension, not knowing how to address the situation or how to ensure a fair review of the claims.



THE SOLUTION

HSC stepped in to provide both technical expertise and reassurance. The consulting team began by meeting with the chemical distributor and their in-house counsel to discuss the investigator's allegations in detail. From there, HSC designed a clear and comprehensive plan of action. Key steps included: ►

CASE STUDY

- **Regulatory clarification:** HSC explained that the alleged violations were not actually supported by the requirements outlined in the HMR. This gave the chemical distributor a clear understanding of why the allegations could be challenged.
- **Guidance on next steps:** HSC advised the company on specific actions to take, helping transform uncertainty into a manageable plan.
- **Strategic planning:** A structured response strategy was created, including requesting additional time to perform testing and analysis that would further support the company's position.
- **Drafting the response:** HSC prepared the official written response on the company's behalf, ensuring accuracy and professionalism.
- **Representation:** HSC served as the direct intermediary with PHMSA's chief counsel staff, relieving the company of the pressure of direct confrontation and ensuring that communications were managed with expertise.
- **Process improvement recommendations:** In addition to addressing the immediate situation, HSC advised on changes the chemical distributor could make to improve internal safety practices and regulatory compliance.

One challenge HSC faced was helping the company become comfortable with the process itself. By maintaining close communication and explaining each step along the way, HSC built the company's confidence that the matter could be resolved successfully.

RESULTS

The outcome was entirely favorable for the chemical distributor and demonstrated the value of a structured, expert-led approach:

- PHMSA dropped the enforcement action entirely.
- No penalties were issued.
- No record of non-compliance was made.
- The chemical distributor had a stronger understanding of regulatory requirements and how to respond in similar situations.
- Process improvements recommended by HSC were adopted, creating long-term benefits for safety and compliance.
- The resolution not only removed the immediate threat of penalties but also left the company better prepared for future inspections and interactions with regulators.

CONCLUSION

This case demonstrates how regulatory challenges can be turned into positive outcomes with the right expertise. Through careful analysis, clear communication, and ongoing guidance, HSC helped the leading chemical distributor avoid penalties, protect their reputation, and strengthen their compliance program for the future.

Above and Beyond

HSC's role went beyond simply resolving the case. The team stayed with the chemical distributor through every step, ensuring they felt supported and informed. By serving as both advisor and advocate, HSC provided peace of mind in a stressful situation.

In addition, the recommendations for process improvements contributed to longer-term safety and compliance benefits. This proactive approach ensured the company not only avoided penalties but also emerged better prepared for future regulatory interactions.