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Could West Texas Fire Brings Legislation Changes

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Texas - It has been almost five months since a fertilizer plant exploded in West, Texas, and it remains unclear whether anyone will push for a law requiring companies that handle explosive materials to carry liability insurance.

Even though motorists in Texas are required to purchase liability insurance, companies that handle tons of explosive ammonium nitrate are not.

The West Fertilizer Co. carried a minimal \$1 million policy.

When 28 to 34 tons of ammonium nitrate exploded there on April 17, the blast killed 15, did an estimated \$135 million in damage and left a debris field that was 2.5 miles in diameter, state Fire Marshal

Chris Connealy said last week during a hearing of the House Homeland Security and Public Safety Committee.

Investigators are trying to determine the cause of a fire at the plant and the subsequent explosion.

Part of the reason the blast did so much damage was that the plant was close to homes and schools and residents and police and firefighters did not appear to be aware of the threat as the fire engulfed the plant.

To help keep that from happening elsewhere, Homeland Security Committee Chairman Joe Pickett, D-El Paso, has gotten leaders of several state agencies together in hearing rooms to discuss possible reforms.

Among them, the

Texas Department of Insurance on Nov. 1 will unveil a website on which people can search by zip code for nearby hazards such as West Fertilizer Co.

Also, the Office of the State Chemist will require such facilities to post signs warning police and firefighters.

Over the course of three hearings, numerous gaps were revealed in the way Texas plants that handle hazardous materials are overseen.

Some committee members have

been reluctant to impose new regulations.

"If we're not careful, we can get like the federal government and try to put diapers on cows," said Rep. Dan Flynn, R-Van.

There was agreement on the committee that insurers of companies that handle ammonium nitrate would try to make sure the substance is stored and handled safely since an explosion would mean heavy losses for the insurer.

That might only happen with fertilizer companies that carry substantial insurance.

Pickett said he wants his committee to wrap up its work on the West explosion by the end of the year.

He said he didn't know if that would include calling for a law during the 2015 legislative session requiring minimum levels of liability insurance for companies whose contents could go up in catastrophic explosions.

"My question to the insurance commissioner will be to give us a recommendation," Pickett said last week.

Insurance Commissioner Julia Rathgeber did not commit one way or the other when asked about the matter.

"Legislation would be required to implement minimum liability limits for these plants," she said in an email. "Careful consideration would need to be given to issues such as the availability and affordability of liability insurance for these risks, as well as the cost and benefit to the local communities. "We stand ready to assist the legislature in any way we can as it examines this issue."

Written by Marty Schladen

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