

# NATIONAL SECURITY

## FOR CIVIC LEADERS AND CITIZENS



### **Tabletop Exercise: Chemical Facilities and National Security**

#### **Problem 1 – What Security Measures Should Be Required of Chemical Facilities?**

##### Participant Roles

- ABC executive
- Potential ABC employee
- Local business owner / Chamber of Commerce representative
- Centerville resident living near the proposed facility
- County commissioner
- City council member
- Police/fire official
- Chemical industry representative

##### Facts

The city of Centerville (400,000 pop.), a metropolitan area in your state that is located in Capital County (1,400,000 pop.), is in fierce competition with a location in another state for the construction of the new plant. Both Centerville and Capital County are considering offering property tax relief and low cost financing to entice ABC to locate there. The plant would be entirely within Centerville city limits.

Capital County has conditioned its offer of incentives. It would mandate that ABC institute and maintain certain security measures. These measures would include a lighted perimeter fence, controlled gate access, video surveillance cameras, close coordination with local police and fire, an on-site guard presence, stringent employee screening, and employee photo and biometric identification. In addition, ABC would be precluded from storing chlorine gas under pressure.

ABC has advised the County that were it to accept and implement the security requirements, its costs would be increased by 15%, almost negating the total proffered county and city incentives. The company did not assert it would be compelled to choose the alternative location, but indicated that it was leaning in that decision.

##### Questions for Discussion

- Should the county compromise its position on security requirements?
- Should the city seek a separate deal with the company?
- What if the company agrees to meet all requirements, but insists on being held harmless by the county and city for any losses caused by a terrorist event?
- What if company counters with a request that the city and county erect a video surveillance network capable of monitoring all vehicular traffic within one-half mile of the facility?

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### **Tabletop Exercise: Chemical Facilities and National Security**

#### **Problem 2 – What Security Issues Are Raised by Foreign Investors?**

#### Participant Roles

- ABC executive
- Potential ABC employee
- Local business owner / Chamber of Commerce representative
- Centerville resident living near the proposed facility
- County commissioner
- City council member
- Police/fire official
- Federal official
- U.S. Representative whose district includes Centerville
- Chemical industry representative

#### Facts

ABC has chosen Centerville and has agreed to implement, with some modification, all of the security measures requested by the county. The company persuaded the county that it would be prohibitively costly to provide for biometric identification and video surveillance around the entire expanse of the plant. Instead, the company will use photo identification and maintain video surveillance at the established points of ingress only.

One day before the county is to formally approve the agreement, it is announced that ABC is to be purchased by XYZ, Ltd., a diversified Saudi Arabian company owned by the royal family. XYZ has interests world-wide, including within the U.S., but its controlling interests here are limited to cosmetics and retailing. The federal entity responsible for reviewing such cases, the Committee on Foreign Investments in the United States, has approved XYZ's purchase of ABC.

#### Questions for Discussion

- Should the county and city decline to permit ABC to locate there?
- Should the county and city re-negotiate the security requirements?
- Should the federal government be urged to reconsider approval of the purchase?
- Should the federal government seek to exact security concessions from the Saudis in return for approval?

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### **Tabletop Exercise: Chemical Facilities and National Security**

#### **Problem 3 – Who Should Regulate Chemical Facility Security?**

#### Participant Roles

- ABC executive
- ABC employee
- Local business owner / Chamber of Commerce representative
- Centerville resident living near the ABC facility
- County commissioner
- City council member
- State legislator representing the Centerville area
- State legislator representing a rural district
- Police/fire official
- Federal official
- U.S. Representative whose district includes Centerville
- Chemical industry representative

#### Facts

ABC has operated the chemical plant without incident for one year, implementing all of the security provisions required by the county. After another chemical manufacturer indicated it was interested in moving to your state, but was troubled by the circumstances in Centerville, the state legislature drafted a bill that would pre-empt all local regulation and impose uniform security requirements on chemical plants throughout the state. The proposed state requirements would be less stringent than those required by the county in the ABC case, but would exceed existing federal requirements. At the same time, the U.S. Congress has announced that it intends to hold hearings on the question of strengthening security regulations for the chemical industry.

#### Questions for Discussion

- On state regulation, what should be the position of the legislators from the Centerville area? Should the position of state and county officials differ?
- On state regulation, what should be the position of local Centerville citizens? What should be the position of
  - Centerville business and employers?
  - Centerville employees?
  - ABC employees and managers?
- On state regulation, what should be the position of state officials outside the Centerville area?
- What should be the position of the above constituencies regarding federal regulation and pre-emption?

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### **Tabletop Exercise: Chemical Facilities and National Security**

#### **Problem 4 – Should Use of Certain Chemicals Be Discouraged?**

#### Participant Roles

- ABC executive
- ABC employee
- Local business owner / Chamber of Commerce representative
- Centerville resident living near the ABC facility
- County commissioner
- City council member
- State legislator representing the Centerville area
- State legislator representing a rural district
- Police/fire official
- Chemical industry representative

#### Facts

To partially compensate for the legislation pre-empting local chemical plant security regulation, a separate bill is introduced in the state legislature. The bill imposes excise taxes to encourage manufacturers and service industries to implement inherently safer technology, including the use of safer chemicals where available. The use of chlorine gas is a primary target of the legislation. ABC advises state legislators that it has done everything within its power to accommodate terrorism concerns. It has exceeded all mandated security measures and its chlorine gas production facility in Centerville is one of the safest and most secure facilities in the world. If this bill were to become law, ABC warns, its customer base would be severely impacted and it would be forced out of business.

#### Questions for Discussion

- Are there limits on the extent to which state legislatures should regulate manufacturing and commerce in the name of national security?
  - Is the legislature compelled to consider the impacts on interstate or foreign commerce?
  - In light of the commitments ABC undertook in locating its facility in Centerville, would a claim of bad faith by ABC have merit should its business be destroyed?