

Institute of Makers of Explosives 2023 Public Policy Priorities

About the Industry

Manufacturers of commercial explosives employ nearly 10,000 people and contribute \$4 billion to the U.S. economy annually. In addition, downstream users, including drillers and blasters, employ tens of thousands of federally licensed commercial explosives users in all 50 states. An average of three million metric tons of commercial explosives, of which IME member companies produce over 95 percent, are consumed annually in the United States. These products are essential to energy production, highway and building construction, and the manufacture of almost all metal and mineral products. Simply put, explosives make it possible.

Safety

Safety is the top priority for the commercial explosives industry. Each year, IME and our member companies invest significant resources in developing and implementing comprehensive safety practices, training programs, and equipment standards that keep our workforce and the surrounding communities in which we operate safe.

IME and our members frequently engage with regulatory agencies including the U.S. Department of Transportation's Pipeline Hazardous Materials Safety Administration (PHMSA), the Mine Safety and Health Administration (MSHA), and the Department of Labor's Occupational Safety and Health Administration (OSHA) to ensure our industry maintains the highest standards for the safe manufacture, transport, storage, and use of commercial explosives.

- Uniform safety regulations help promote consistency in safety practices across the industry and are particularly important given the complexities involved in manufacturing, handling, and transporting explosives.
- Standardized safety regulations are important for regulatory agencies and companies to be able to accurately assess safety practices, identify areas for improvement, and ensure compliance.
- We oppose OSHA adding Process Safety Management requirements to ammonium nitrate. Instead, OSHA should consider updating their standards for ammonium nitrate under 1910.109(i).

Security

IME and our members work tirelessly to ensure our products are secure. Our industry has a proven track record of adhering to strict security protocols to safeguard our products against theft, diversion, or illicit use throughout their lifecycle. We believe there are additional opportunities to simplify and modernize federal regulations to better adapt to today's business environment and maintain the high-level of security throughout our supply chain.

- Currently, overlapping regulations from multiple agencies lead to confusion and added expenses for companies – many of whom are small businesses. Specifically, we believe the U.S. Department of Homeland Security's Chemical Facility Anti-Terrorism Standards program should

exclude commercial explosive products already successfully regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

- The ATF's Federal Explosives Law and Regulations publication "Orange Book" should be modernized to bring the federal code primarily responsible for the safe and secure storage and distribution of commercial explosives into the 21st Century and up to date with advances in the commercial explosives industry. This includes expedited background checks, electronic recordkeeping and reports, remote electronic monitoring of storage magazines and updated classifications of materials.

Supply Chain

The manufacture of commercial explosives requires inputs that can be difficult to source due to limited domestic supply. Oftentimes, domestic manufacturers of commercial explosives are forced to import materials from countries that have less restrictive environmental rules than the United States.

- Balanced access to inputs is necessary to ensure a reliable and adequate supply of materials between commercial explosives and the defense industry.
- Removing barriers to, and promoting domestic manufacturing of, energetic materials is crucial to ensure a predictable and stable supply chain for the commercial explosives industry.
- Streamlining the adoption of international shipping standards to better facilitate commerce.

Transportation and Infrastructure

The commercial explosives industry relies on all modes of transportation including rail, truck, water, and air, to move our products safely and securely not just nationwide, but around the world. Like other industries, transportation-induced disruptions to the supply chain can lead not only to delays in our industry, but also to significant projects like those authorized as part of the Infrastructure Investment and Jobs Act. Significant delays can lead to increased costs and even potential safety hazards.

- We support a streamlined and consistent process for PHMSA to adopt updated United Nations standards for transportation.
- We support policies that encourage sufficient rail capacity to move our products in a timely manner.
- We support policies, including incentives, to expand the pool of CDL drivers.
- We support increasing truck weight capacity to facilitate the safe and efficient movement of products throughout the supply chain.
- We support expanded access to our nation's ports.

Energy and Environment

The commercial explosives industry plays a vital role in ensuring our nation has a diverse energy supply that is abundant and affordable. This includes traditional sources of energy like coal, oil, and natural gas. Commercial explosives also play a significant role in sourcing the critical minerals necessary for modern renewable energy technologies that are part of a low carbon economy. For example, commercial explosives are used to source materials like copper, lithium and nickel used to make batteries for electric vehicles and energy storage systems. Commercial explosives are also used in the construction process to build wind turbines, solar panel farms, geothermal and hydropower energy systems.

- We support an all-of-the-above energy policy.
- We support policies that ensure adequate capacity exists to dispose of waste energetic materials safely and affordably.
- We support comprehensive permitting reform essential to building our nation's infrastructure and mining domestic critical minerals.
- We oppose the U.S. Environmental Protection Agency adding ammonium nitrate to the Risk Management Program (RMP) program.

Workforce

Our industry is essential to the core of the U.S. economy and our members are constantly working to recruit and retain the next generation by investing in skills training and ensuring a safe work environment. To ensure our industry can maintain a high level of talent, it is vital to address the current and future workforce challenges that affect our industry.

- Timely ATF background checks ensure that employees working with explosives are properly vetted to use and handle explosive materials.
- We support incentives to encourage the next generation of leaders to consider a career in the commercial explosives industry.

Innovation

The commercial explosives industry has made great strides in the safe and secure manufacture, transport, storage, and use of our products over the last century. Our members constantly work to create innovative technologies and products designed to enhance performance in the field and the safety of our personnel and the communities where we are operating.

- We support federal funding and incentives for research and development of new, cost-effective, and sustainable high explosives to meet evolving customer needs and minimize environmental impacts.
- We support incentives to explore automation of certain manufacturing processes and in the field.
- We support a modernized regulatory environment that keeps pace with industry innovation and allows our industry to bring new products to market in a timely and efficient process.