

IME

institute of makers of explosives

**Board of Governors Meeting
2024 Spring Meeting
Hotel Washington
Washington, D.C.
Thursday, May 23, 2024
9:00AM – 11:00AM**

Minutes

Chair: Tim O'Brien (Detotec) (absent)

Vice Chair: Jason Rawlings (Austin Powder) (absent)

Voting Board Governors in attendance: Scott Bell (Dyno Nobel), Mitch Green (Maine Drilling & Blasting), Kent Hoots (Orica USA), Ralph Hymer (Nelson Brothers), Ian McNally (Hilltop Energy), Debra Payne (Owen Oil Tools), Thilo Scharf (DynaEnergetics), Len Smith (ENAEX), Wendell Stinson (Accurate Energetic Systems), Patrick Valentino (Hunting Titan).

Others in attendance: Josh Calnan (University of Kentucky), Ross Davidson (Dyno Nobel), Randall Franklin (Nelson Brothers), Noel Hsu (Orica USA), Bill Joa (Dyno Nobel), Matthew Mlcak (JRC/Halliburton), Jon Southerland (Accurate Energetic Systems), Suzanne Thigpen (Nelson Brothers), Bobby van Rensburg (Accurate Energetic Systems), Tom Young (Hilltop Energy), Dave Zoghby (General Dynamics-OTS).

IME Staff: Clark Mica (President), Julia Bogue, Larry Farnsworth, Susan Flanagan, Colleen Flood, Josh Hoffman, Sue Swanhorst.

General Counsel: Judith Hammerschmidt

CALL TO ORDER

The meeting was called to order by acting Chair Ralph Hymer at 9:01am. The minutes were recorded by Secretary Sue Swanhorst. Evacuation procedures were shared, and CPR-trained attendees were identified.

Attendees identified themselves and a quorum was confirmed.

ANTITRUST GUIDELINES

IME General Counsel Judy Hammerschmidt reviewed the IME Antitrust Guidelines and advised that the meeting would be conducted in accordance with the guidelines.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Board approved the minutes of the 2024 Annual Meeting which were previously furnished to the attendees on the IME website.

CHAIRMAN'S REMARKS

Ralph Hymer reported that IME members had a successful Hill Day with many engaging visits with members of Congress and staff. He noted the value of the recently launched Economic Impact Study and mentioned that it was well received in the Hill meetings. He also mentioned that the 2024 Spring Meeting was very successful and recognized Collen Flood for her work organizing the meeting and Julia Bogue for her work organizing the Hill Day. Mr. Hymer also thanked IME's General Counsel Judy Hammerschmidt for all her valuable work on behalf of IME and the membership.

PRESIDENT'S REPORT

Report on key initiatives

IME's President Clark Mica thanked attendees for taking the time to participate in the Spring Meeting and for actively participating and engaging in committees. He also acknowledged the IME staff for their many contributions in ensuring a successful Spring Meeting and Hill Day.

Mr. Mica reported that as a result of member feedback and in an effort to more frequently provide opportunities for members to engage in IME's committee work, IME committees will meet quarterly, 2 in person at the Spring and Annual Meetings and 2 virtual. He noted that IME continues to identify opportunities to bring regulators to the membership to discuss issues of importance to the industry. He mentioned IME's work to review the 8-millisecond rule and noted IME has formed a working group to address the issue. Mr. Mica then thanked Josh Hoffman for his work seeing the ATF regulatory modernization project noting this was a top priority for IME. He mentioned that the previously intended Overhead bin test would be delayed due to unexpected cost increases related to endangered species at the test site. He mentioned IME's continued work on the 8D test and thanked Mr. Hoffman for his efforts at CIE IGUS where he co-presented a paper on this topic with the ATF. Mr. Mica then thanked Susan Flanagan for her efforts to push PHMSA to issue a final rule incorporating changes to IME SLP 22 and SLP 23. Mr. Mica then reminded members of the economic impact study of the commercial explosives industry and thanked Larry Farnsworth for his work on the study. He noted IME's work with other trade association partners, National Mining Association, National Stone, Sand and Gravel Association, National Association of Manufacturers, US Chamber of Commerce and the Essential Minerals Association to leverage IME's resources with theirs. Mr. Mica then noted IME's discussions with MSHA to modernize their regulations for commercial explosives. He noted that IME has provided a redline of the changes we would like to see which was well received by MSHA staff. MSHA staff is currently reviewing the redline and will be back in touch with IME in the coming months. He then provided an update on IME's work to convert

8 SLPs to eLearn courses, a project that has taken 2 years and a lot of staff time to complete. He reminded members that there are currently 3 courses available and gave a target date of completion of September 2024 for the remaining courses. Mr. Mica recognized and expressed thanks for the IME team for working together to review the courses.

Status of membership

Mr. Mica reported that IME retained all members except Vet's Explosives.

Future scheduled meetings

Mr. Mica reminded members that the 2024 Annual Meeting will be held in Coeur d' Alene, Idaho Oct 7-10. The 2025 Spring Meeting will once again be in Washington, DC.

Acknowledgement of retiring members

Mr. Mica and Wendell Stinson, AES, recognized Bobby Van Rensburg who is retiring from AES.

SECRETARY/TREASURER'S REPORT

Report on delinquent dues

Ms. Swanhorst reported that there were no outstanding dues.

2023 Budget closure

Ms. Swanhorst reviewed the 2023 end of year financial reports. The 2023 budget surplus was \$238,129 and largely due to staffing changes and associated expenses, unrealized Communications & Marketing, Research & Development, and Safety Education expenses. An additional \$41,655 in meeting registrations and sponsorships also contributed to the surplus. As of December 31, 2023, the Authorized Reserve was \$1,248,889 or had an excess of \$50,357. This amount was below the 5% threshold required to initiate a one-time credit.

2024 Operating budget

Ms. Swanhorst reviewed the status of the 2024 operating budget as of April 30, 2024.

High Yield Investment Fund

On the advice of IME's auditor, Bernie Gordan, and approval of the Steering Committee, IME's Brokerage account is now with Federated Treasury Obligations M/M Fund. This fund meets the criteria of the Investment Policy and has better performance than the previous M/M account.

CHAIRMAN APPOINTMENTS

Deferred to committee reports

SPECIAL GUEST SPEAKER – Former Congressman Tom Davis

Mr. Davis provided the IME Board of Governors with an overview of the political landscape – how we got there and where do we go going forward. Board members had an opportunity to ask engaging questions and were appreciative of Mr. Davis for taking the time to join them.

COMMITTEE AND ASSOCIATED REPORTS

Steering Committee

Ralph Hymer reported that the Steering Committee heard from Art Herold, Partner, Webster, Chamberlain & Bean, LLC who spoke about anti-trust rules as they relate to trade associations and things we need to consider as we look to develop new membership categories. Mr. Hymer again highlighted the value of the economic impact study and noted that it was also helpful in identifying additional potential IME members. He concluded and acknowledged the entire IME staff for their work and specifically recognized Josh Hoffman's efforts on the ATF Regulatory Modernization Project.

Lead Group

Jon Southerland reported that the LEAD group met on Monday, May 20. During the meeting, participants discussed the need to develop a curriculum and timelines for future LEAD participants so that they eventually graduate from the program. He noted that many of the current members of LEAD have been participating for more than 6 years and have already assumed leadership roles at their companies and within IME. He sought the Board's help in identifying new members and encouraged them to submit names to IME Staff for consideration. He said the process of identifying a new LEAD chair will be tabled for now.

STANDING COMMITTEES

Safety, Health and Environmental Affairs Committee

David Zoghby reported that the committee heard from guest speaker, Dr. Paul Diss (EPA), regarding the agency's proposed OB/OD rule. In addition, the committee discussed EPA's final Risk Management Plan (RMP) rule and implications for AN regulation. The committee received an "Environmental Update" that included issues with both direct and indirect impacts on the explosives industry. The Board was requested to approve two items: (i) revised SLP-33, Safety Recommendations for the Manufacture of Explosives & Blasting Agents; and (ii) nominations for the Chair and Vice Chair of the committee, Jessie Kelsey (AES) and Ken Snider (Hilltop), respectively. The Board unanimously approved both.

Legal Affairs Committee

Ross Davidson reported that the Legal Affairs Committee had reviewed IME's Crisis Communication Tool Kit. Mr. Davidson also reported that the Committee had recently approved SLP 33.

Technical Committee

Randall Franklin reported that the Technical Committee discussed the various projects and SLPs under its purview. SLP 12 is awaiting the next revision of American Petroleum Institute Recommended Practice 67. The Academic Subcommittee is planning site visits, which are open to all IME members, at each of IME's university members beginning in the fall of this year. These visits will allow members to meet students and learn about the work conducted by the faculty and their research capabilities. The 8-millisecond working group is developing a white paper to establish IME's stance on the need to update the rule given the improved accuracy of

electronic detonators. This paper, once approved, will be used to socialize the idea with regulators and prompt feedback. Mr. Frankin informed the Board that the ATF had established a Users Group to solicit input on best practices for utilizing the software to analyze real-world scenarios. The MSHA subcommittee has made significant progress in developing a safety alert on the relative sensitivity of bulk products. Companies have developed a standard test protocol for determining sensitivity to a standard test detonator, and companies will conduct testing this summer. IME will review the data for incorporation into the safety alert.

Transportation, Distribution and Security Committee

Mr. Joa reported that the committee heard from PHMSA representatives on a number of issues impacting the industry including (but not limited to) the use of electric vehicles to transport explosives, non-recognition of approvals issued by foreign competent authorities, and the cleared backlog of explosives approvals and special permit applications. The committee also received a report from ATF on an upcoming proposed rule addressing several issues in the IME/ATF regulations modernization project, a planned perforating gun test for IMESAFR, and the development of an educational webinar on ATF licensing requirements. The committee was updated on developments in Congress including transportation screening legislation and the status of CFATS. An update on activities at the UN was also provided.

United Nations Committee Report

Dr. Hoffman reported on IME's activities before the United Nations. IME continues its efforts to find concessions regarding the UN Manual of Tests and Criteria Test 8(d) for Ammonium Nitrate Emulsion. IME will submit an informal paper during the UN summer session, and AEISG has agreed to be a co-sponsor. The paper seeks to challenge the premises of the test, which were based on 20-year-old assumptions about ANEs when the material was relatively new. Dr. Hsu was thanked for his work on the initiative. IME is also participating in an informal correspondence group working on alternatively fueled vehicles and the appropriateness of their use in transporting explosive materials. These fuels include all alternatives, including various electric batteries, hydrogen and hydrogen fuel cells, and natural gas.

Government Affairs Committee

IME Conducted its Hill Day on Wednesday, May 22. IME had 55 congressional meetings with 48 IME attendees. Attendees met with 41 Republican and 14 Democrat offices, and 18 states were represented in our meetings. IME members discussed workforce, supply chain and transportation issues with their respective members of Congress. The Economic Impact Study, broken down by area was distributed and discussed during the Hill Visits.

IME Political Action Committee (IMEPAC)

An IMEPAC Board was established and is comprised of Mitch Green (Maine Drilling & Blasting), Tom Young (Hilltop Energy), and Suzanne Thigpen (Nelson Brothers). As of May 16, 2024, IMEPAC receipts were \$15,200 and \$24,000 was contributed to nine Candidates and three political committees.

Communications Committee Report

Mr. Farnsworth reported that the committee identified a need for IME member company employees to have social media dos and don'ts. Mr. Farnsworth also presented the Board with the committee nominations of Ms. Jennifer Dunne (Orica) to serve as Chair of the Communication Committee Chair and Janette Weaver (Austin Powder Company) to be Vice Chair. The nominations were unanimously approved by the Board.

REPORTS FROM LIAISON MEMBERS

International Society of Explosives Engineers (ISEE) – Steve Shivak, ISEE's Executive Director, reported that, after careful consideration by ISEE's Advisory Committee, ISEE's 51st Annual Conference will be held January 21-26, 2025, at Harrah's Cherokee Casino and Resort in Cherokee, North Carolina.

SAFEX International – Mr. Mica reported for Piet Halliday, SAFEX's Secretary General, and noted that the website had been updated and will include upcoming events and the newsletter.

UNSCHEDULED BUSINESS

There was no unscheduled business to discuss.

ADJOURNMENT

The meeting was adjourned at 11:10am.