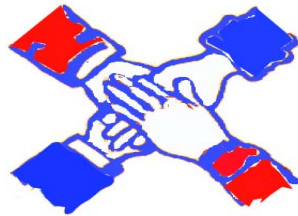


Association of Plant Inspection Professionals APIP



Joining Hands to Raise Inspection Quality

A Non Profit Association

APIP

- A Nonprofit Association. Board of Directors equally balanced between companies/inspectors
- Membership average- 100 inspectors, 15 inspection companies, organizations who support the inspection industry
- Goals-Communication, cooperation, professionalism. Combined voice in matters affecting the inspection business.
- Website APIP-USA.ORG

APIP

- Activities include:
 - Fund raisers via golf tournaments, raffles
 - Charitable donations, e.g. Make a Wish Fund, Orphans Home
 - Education Awards Program for inspectors
 - Bi-annual general membership meetings, topical presentations, awards
 - Trainers Round Table/Center

Inspector Resourcing API Data Analysis

- Reported 4, 034 API 510/570/653 inspectors in USA
- How many are on Petrochemical Facilities staff?
- How many are available to Inspection Service companies for contract work?
- For future planning, what are the age groupings, demographics?

(6) Inspection Service Companies Report Summary

- Results of APIP meetings with Inspection Service companies:
 - Requests for 905 inspectors for turnaround/maintenance jobs in 1Q06
 - 1Q06 shortage of 125 plus, can't fill job needs
 - All qualified inspectors are working

Assessment of API Inspector Resources

- There is a current and forecast shortage of contract inspectors for turnarounds and maintenance
- Inspection service companies cannot fill job demands of Petrochemical facilities
- Expected 10-20% increase of inspectors to be offset through 10-15% attrition & increasing industry investments
- Outlook, 20-30% shortage at a minimum

The Contract Inspector

- Cost of training, certification is an issue
- Loss of income while absent for training is an issue
- No incentive for multiple certifications or endorsements.
- The status-plenty of work, good pay
- API certification test dates conflict with seasonal peak workload periods and loss of overtime opportunity

Inspector Qualifications

- Petrochemical facilities have funded programs in place that establish Staff Inspector
 - Competencies
 - Expectations
 - Career levels
- Contract inspectors are not addressed other than requirements for API/ASNT certification

Inspector Recruitment, Training, Retention

- Petrochemical business plans are private. How many inspectors will be needed?
- There is no industry standard or recommended practice for training
- There is no funding mechanism
- Balancing costs, a profitable operation and good business ethics is challenging
 - Most agree, higher temporary pay cannot be sustained

Recommendation for Information Sharing

- API can establish an inspector resourcing analysis function
- Each Petrochemical facility may input their forecast needs and dates required
- A generic report summarizing the total needs and dates will be invaluable for resource planning

Recommendation For an Additional Test Date

- The current 2 certification tests limits the availability of inspectors
 - Timed during peak work load and overtime pay periods for contractors
 - Takes too long to re-test
- Recommend API add a 3rd test during late July to early August.
 - Result, increased API revenue, inspector availability

Recommendation for API To Publish Demographics

- Industry sector where the inspector is employed
- Inspectors age group, e.g. 30's, 40's, etc.
- Is the inspector a contractor?
- Is the inspector an employee of a Petrochemical facility or other industry?

Publish A Practice for Inspector Training

- Establish an industry standard
- Recommended Practice (RP) for recruitment, development, training and certification
 - There is no document now.
 - The result is confusion, lack of direction and nothing for use in recruiting
- An RP will aid trainers, employers and inspectors

Recognize the APIIP Recommended Practice

- “Recommended Practice for Training and Certification of Pressure Equipment Inspectors”
 - Developed by an APIIP roundtable of professional inspection trainers
- Fully endorses API Certifications, AWS, ASNT, NACE, etc.
- Establishes competencies, expectations and career levels

Inspector Training and Certification Fund

- Training, Certification over 10 yr. period, \$10,000
- Inspectors have no contingency funds
- Establish a tax protected, designated income earning account
- Withhold \$0.30-0.50/hr for the account
- Must be used for training or forfeit to the fund
- Savings=\$250 on a \$1000 class
- Motivation, more inspectors, higher levels of certs