

**feldman, jane**

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**From:** Mahesh Albuquerque [Mahesh.Albuquerque@state.co.us]  
**Sent:** Thursday, March 31, 2011 11:07 AM  
**To:** Jane Feldman  
**Subject:** RE: Advisory Opinion - National Board of Boiler and Pressure Vessel Inspectors

Jane – You are right, the commission renewal fees are minimal and would not be sufficient. The National Board maintains three separate accreditation programs and one authorization program for stamps and marks which I believe may be their primary revenue source. They collect fees for “stamps and marks” issued to accredited national and international boiler and pressure vessel equipment manufacturers, fabricators and repairers who use the stamp to designate that their product complies with code requirements. Click here for further info on the stamps and marks:

<http://www.nationalboard.org/Index.aspx?pageID=115>

These national and international companies have to have their stamps renewed periodically. Other revenue sources are the sale of their code books and fees charged for their training classes. Let me know if you need anything else. Thanks.  
Mahesh

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**From:** Jane Feldman [mailto:jane.feldman@state.co.us]  
**Sent:** Thursday, March 31, 2011 9:12 AM  
**To:** Mahesh Albuquerque  
**Subject:** RE: Advisory Opinion - National Board of Boiler and Pressure Vessel Inspectors

Dear Mahesh:

I received your advisory opinion request, and will add it to the Commission’s Agenda for the April 21 meeting. I do have one question, which you may not know the answer to. How is the National Board funded? It appears that the dues from the states would not be sufficient. I see that other Boards are funded by EPA and/or other federal agencies. Do they receive funds from boiler manufacturers? I could not see any information on the web site.

Thanks.

Jane

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jane.feldman@state.co.us

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**From:** Mahesh Albuquerque [mailto:Mahesh.Albuquerque@state.co.us]  
**Sent:** Tuesday, March 29, 2011 4:57 PM  
**To:** jane.feldman@state.co.us  
**Subject:** Advisory Opinion - National Board of Boiler and Pressure Vessel Inspectors

Hi Jane – I enjoyed your presentation at our CDLE office on March 8, which I thought it was very informative. As I briefly mentioned then, the Division of Oil and Public Safety participates on several national technical boards, committees and task forces related to our inspection programs. Some of these are set up by federal agencies such as EPA or associated non-profit organizations fully funded by EPA, while others are independent standards organizations like the National Board of Boiler and Pressure Vessel Inspectors commonly referred to as the National Board.

The Division is often eligible for full reimbursement of travel costs (airfare, lodging and per diem) from some of these organizations for participation in their meetings. Participation on these technical boards, committees and task forces enables information sharing opportunities with the federal government and other state program officials and has benefited the state and our program development. The consequence of not participating in such meetings results in our state not having a voice on issues that matter to us, and not being aware of and keeping up with the latest information, initiatives, guidance and policies that affect our programs. In addition our staff misses out on great opportunities for continuing education training, and professional development, which is provided at no cost to the state. Some organizations such as the National Board also provide states with code books at no cost.

I would like an advisory opinion on whether accepting travel reimbursement or code books from an organization such as the National Board can be considered “a gift to the state” and accepted by the Division. I would like our Chief Boiler Inspector to attend the May 2011 General meeting of the National Board, and his travel to participate in the meetings fully complies with the following five criteria outlined in Position Statement 08-02 (Travel):

1. Legitimate State governmental Purpose
2. Travel arrangements are appropriate to that purpose
3. The trip is no longer than reasonably necessary to accomplish that purpose
4. Government official to be travelling is not in a position to take direct official action with respect to the donor
5. Verification process in place

Further information about the organization is summarized below for your convenience:

The National Board of Boiler and Pressure Vessel Inspectors  
1055 Crupper Ave, Columbus, OH 43229

David A. Douin, Executive Director (614) 888-8320

Website: [www.nationalboard.org](http://www.nationalboard.org)

The National Board was founded in 1919, as a non profit organization, to promote greater safety to life and property through uniformity in the construction, installation, repair, maintenance, and inspection of pressure equipment. The principle document published by the National Board is the National Board Inspection Code (NBIC), which has been adopted by all of the member jurisdictions as well as some federal regulatory agencies such as the US Dept of Transportation. It is the only standard recognized worldwide for in-service inspection repairs and alterations of boilers and pressure vessels. The National Board is the guiding organization when it comes to boiler and pressure vessel safety and is a recognized world leader in the installation, operation, inspection, repair and alteration of pressure equipment.

Colorado is one of 63 member jurisdictions of the National Board. The National Board membership is comprised of the chief boiler inspectors for most states in the United States, as well as some of the larger cities in the U.S., in addition to the Provinces of Canada.

Some of the primary functions of the National Board include:

- Promoting safety and educating the public and government officials on the need for manufacturing, maintenance, and repair standards.
- Offering comprehensive training programs in the form of continuing education for both inspectors and pressure equipment professionals.
- Enabling a qualified inspection process by commissioning inspectors through a comprehensive examination administered by the National Board.
- Providing a repository of Manufacturers Data Reports through a registration process.
- Accrediting qualified repair and alteration companies, in-service Authorized Inspection Agencies, and owner-user inspection organizations.
- Developing installation, inspection, repair, and alteration standards (NBIC)

Jurisdictional members such as Colorado pay no membership fees, other than an annual commission renewal fee of \$40 per year for each of our eight National Board commissioned inspectors for a total of \$320 per year. Colorado, as a jurisdictional member, receives many benefits from being an active participating member of this organization. Some of these benefits include:

- Members can send up to two inspector trainees per year to attend the National Board Exam two week prep school in Columbus, OH. The National Board waives the \$3000 tuition per student, and pays all travel and hotel costs.
- The member jurisdiction receives a copy of the NBIC for each NB commissioned inspector employed by the jurisdiction. The NBIC currently costs \$150 for the three part book.
- The member jurisdiction also receives, at no charge, two complete sets of the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code books. These are valued at approximately \$15,000 per set.
- The National Board also conducts, twice each year, a technical conference and a membership business meeting. The spring technical conference is the considered the General Meeting and participants include, in addition to the members, pressure equipment professionals, such as the ASME. The General Meeting, typically lasting a week, is held in various locations each year and is at no cost to the member's jurisdiction – travel, hotel, and meal expenses are provided to the member, and spouse (we do not allow spouses to attend), by the National Board. The member business meeting is held in the fall each year in Columbus, OH at the National Board headquarters. All expenses – travel, hotel and meals – are provided by the National Board member only.
- The National Board is a technical resource to the member jurisdictions for all things related to the boiler and pressure vessel industry.

I look forward to hearing from you soon. Feel free to call me at (303) 318-8502 if you have any questions or need any further information to help with your advisory opinion on accepting travel reimbursement or code books from the National Board. Thanks.

Mahesh Albuquerque, Director  
Division of Oil and Public Safety  
Colorado Department of Labor and Employment

**feldman, jane**

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**From:** DDouin@nationalboard.org  
**Sent:** Monday, April 11, 2011 8:33 AM  
**To:** Jane Feldman  
**Subject:** Re: National Board

Dear Ms. Feldman,

In response to your email, I offer the following about the National Board.

The National Board is a tax exempt entity, under 501(c)(4) of the IRS Code, whose purpose is to promote greater safety to life and property by:

- Promoting the uniform administration and enforcement of boiler and pressure vessel safety laws
- Promoting uniform standards and regulations for the acceptance and safe operation of boilers and pressure vessels
- Promoting standardized qualifications and conduct of examinations for the certification of inspectors of boilers and pressure vessels
- Gathering and disseminating information useful to members, inspectors and the general public.

We are organized as follows:

- **Members**--Our membership is a very specific group consisting of individuals employed by a jurisdictional authority as the Chief Inspector, or other official, charged with enforcement of boiler and pressure vessel laws. The Chief Inspectors for virtually every state of the United States and provinces of Canada are members.
- **Board of Trustees**--The direction of the organization is the responsibility of the Board of Trustees comprised of seven members, elected by a majority vote of the membership.
- **Staff**--Currently, the National Board employs a staff of 75, consisting of engineers and support personnel.

As for our sources of funding, we do not collect membership dues, receive government funding or contributions from industry, and there are no corporate sponsors for our conferences. Our major sources of revenue consist of the following and are paid by those organizations for whom the services are being provided:

- **Data Report Registrations**—the registration of the manufacturers data report, providing assurance that an item is manufactured, repaired or altered in full compliance with safety standards uniformly (ASME Boiler and Pressure Vessel Code and the National Board Inspection Code--NBIC) accepted throughout the U.S. and Canada, and available to the public in perpetuity.
- **Shop Reviews and Surveys**—audits of manufacturers' quality control systems to assure compliance with the uniform safety standard, the ASME Boiler and Pressure Vessel Code for new construction and the National Board Inspection Code (NBIC) for repairs and alterations.
- **Testing and Certification**—provides for the certification of pressure relief device designs and the accreditation of organizations who manufacture and assemble these devices.

- **Training Courses and Seminars**—provides training for the construction, inspection, repair, alteration and operation of boilers and pressure vessels centered around the requirements of the ASME Boiler and Pressure Vessel Code and the National Board Inspection Code.
- **Accreditation**—accredits organizations who repair boilers, pressure vessels and other pressure retaining devices for compliance with the safety standard, the National Board Inspection Code.
- **Publications**—publishes and sells our safety standard, the National Board Inspection Code.

If you need further clarification or more detail as to how this assists your state, please do not hesitate to contact me.

Regards,

**David A. Douin**  
**Executive Director**  
**National Board of Boiler and**  
**Pressure Vessel Inspectors**

From: "Jane Feldman" <[jane.feldman@state.co.us](mailto:jane.feldman@state.co.us)>  
To: <[DDouin@nationalboard.org](mailto:DDouin@nationalboard.org)>  
Date: 04/08/2011 06:21 PM  
Subject: National Board

Dear Mr. Douin:

The Colorado Independent Ethics Commission ("IEC") has received a request for advisory opinion asking whether it is permissible to accept free travel and code books from your organization. In order to advise the Commission, it would be helpful to know a little more about how you are organized and funded.

I have been told that the National Board is a nonprofit organization, whose principal sources of income are sales of the code books, training conferences, and fees for "stamps and marks". Is that correct? It seems to me from perusing the web site, that the Board is a quasi governmental organization as well, and that it may receive some governmental funding from the federal government. Is that correct? It also seems, that unlike many non profits, you are not funded by direct contributions from industry, other than the fees and sales noted above. There may, however, be corporate sponsors of your conferences, I cannot tell.

Any information about your funding sources would be appreciated.

Thanks.

Jane

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