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From the Vice President's Desk

What Happens in Wisconsin Affects Us All

First they came for the Jews
And I did not speak up
Because I was not a Jew.

Then they came for the Communists
And I did not speak up
Because I was not a Communist

Then they came for the trade unionists
And I did not speak up
Because I was not a trade unionist

But then they came for me
And there was no one left
To speak up for me.

This statement came from Pastor Martin Niemöller during the Hitler regime when he talked about the inactivity of German intellectuals following the Nazi rise to power and the purging of their chosen targets.

It is an appropriate statement for oil workers because if we do not speak out against the conservatives' and corporations' attack on our rights to collectively bargain, we will find our own wages, benefits and working conditions under attack in National Oil Bargaining.

State legislatures in Wisconsin, Ohio, Indiana, New Jersey, Tennessee and around the country are introducing laws like the termination of collective bargaining rights and implementation of Right-to-Work-For-Less.

Democracy at Stake

This is a concerted effort by the conservatives and their corporate bosses to finally eliminate unions as a political and economic force in America. Unions are the base for the Democratic Party. If Republicans and their Chamber of Commerce allies can eliminate unions,

they succeed in not only removing a major funding source for the Democrats but also stopping the grassroots efforts on behalf of Democratic candidates.

I don't know about you but I don't want a one-party system that is controlled by the top 1% that has more financial assets than the bottom 95%. I want a democracy with a free trade union movement.

(In case you want to know, the money for candidates comes from voluntary donations to union PAC funds. No union dues go to political candidates.)

George Lakoff, a cognitive linguist who has written about how conservatives use language to dominate politics, says: "The real issue is whether conservatives will get what they really want: the ability to turn the country conservative on every issue, legally and permanently. Eliminating the public sector unions could achieve that.

"Unions, through their political contributions, support the basic freedoms, protections, and resources we all require to have a decent life and live in a civilized society. If those unions are destroyed, American life will become unrecognizable in a remarkably short time.

"Democracy as we know it is at stake in the Wisconsin protests, not just budgets and unions," Lakoff says.

Evening the Playing Field

Unions stand in the way of businesses operating in an environment free of wage and hour, health and safety, and environmental regulations. They even the playing field. Companies do not want to negotiate over items like outsourcing and manning. The conservatives want total control over our lives, despite their rhetoric on individual freedom.

By eliminating workers' ability to better their lives through collective bargaining

and having a voice at work, the Republicans and Corporate America are, in effect, eliminating the Middle Class. Their drive for low wages and poor health-care and pensions is ironic since they will not make as much money if workers do not have the purchasing power to buy their goods and services.

This is all about power and upholding democracy. I can assure you that the oil companies would prefer to not have to deal with unions and negotiate over wages, hours, benefits and working conditions. If they had their way, you would be earning half of what you earn now and with little

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It's Not Too Late!

It's not too late for locals to complete the USW Hydrofluoric (HF) and Sulfuric Acid Refinery Survey.

7 More Surveys Needed: Thanks to the 34 USW refinery units that already completed surveys. USW is counting on the remaining refinery units to complete the surveys as soon as possible.

Vice President Beevers Calls for More Surveys: VP Beevers urges each refinery unit that has not yet completed their survey to join the first 34 so we can reach our goal.

Good News—SurveyMonkey Still Open: For assistance: Kim Nibarger 412-562-2587 of the Health, Safety and Environment Department, or Tom McQuiston 919 251-8374 of the Tony Mazzocchi Center.

Report Details Trends Causing Unnecessary Accidents at Louisiana Refineries

A new report released by the USW and environmental groups shows that inadequate storm preparation, poor maintenance and excessive flaring are leading to more unnecessary accidents at Louisiana refineries.

Cooperation between the refiners and the groups to reduce these incidents could lead to job growth in the state.

“Many refinery accidents are preventable,” said USW International Vice President Gary Beevers. “It takes adequate maintenance, heeding the warning signs, and investigating whether the ‘lessons learned’ from previous accidents within the industry apply to a refiner’s facility.”

The Louisiana Bucket Brigade wrote the report, *Common Ground II: Why Cooperation to Reduce Accidents at Louisiana Refineries is Needed Now*, which examines 2,607 accident reports refineries submitted to the Louisiana Department of Environmental Quality (LDEQ) from 2005-2009. During this five-year period, the reports showed the state’s 17 refineries averaged 10 accidents per week.

It is important to note that these figures were based on releases of reportable quantities. Refineries are not required to file reports if the total is below reportable quantities. The USW, along with the environmental groups, believe accidents of any size are important and worth reporting. For example, a release of 83 pounds of hydrogen sulfide—below the reportable quantity—killed a worker at ConocoPhillips on Oct. 22, 2007.

Analysis of the accident reports revealed that ExxonMobil’s two refineries (Baton Rouge Refinery and Chalmette Refining) had the most frequent accidents and the largest emissions from accidents during the five-year period.

When the causes of accidents were reviewed, the most common reason was

“No Information Given.” Accidents at ExxonMobil’s Baton Rouge and Chalmette facilities frequently did not have a reason given. This suggested a lack of thoroughness during the investigation into the accident causes, said the report.

These accidents impact the community in addition to the refinery work force. More than 200,000 people live within two miles of these refineries.

Inadequate Storm Preparation

Despite the predictability of hurricanes and storms in South Louisiana and the refiners’ ability to take preventive measures and prepare for hurricanes, they still claim that accidents that happen during bad weather are “acts of God.”

In 2008 ExxonMobil’s Baton Rouge refinery failed to properly shut down before Hurricane Gustav made landfall. Since the facility was not shut down, the cooler tower was operating when winds knocked it over. As a result, over 599,000 pounds of pollutants were released for what residents said was 12 days of flaring. Most of the emissions were sulfur dioxide, a chemical known to cause respiratory problems.

According to refinery data, 27 percent of all emissions to the air and 64 percent of emissions to the ground and water from 2005-2009 happened during storms or hurricanes. The report said many of these accidents could have been prevented if storm preparedness plans were followed, facilities invested in back-up power systems and wastewater treatment capacities were increased to handle Louisiana rains.

Poor Maintenance

Many accidents and emissions can be attributed to maintenance issues like doing quick fixes instead of proper maintenance and failing to have a good preventative maintenance program.

The report gave as an example ExxonMobil’s Chalmette Refining. According to the refinery’s accident data, 11 percent of the accidents and emissions to the air were the result of problems with piping or tubing. OSHA cited the refinery in 2009 for ignoring for six years nine safety recommendations on

piping. Last October a contract worker died while working on a pipe that began leaking sour gas to the atmosphere through a previously installed clamp.

Slashing the work force and deferring maintenance may result in short-term profits, but they both make refineries more dangerous, the report said.

Excessive Flaring

According to refinery data, 38 percent of accidental emissions from Louisiana refineries are sent to the flare, and sulfur dioxide release is the biggest problem from refinery accidents. The EPA said in 2000 that “frequent, routine flaring may cause excessive, uncontrolled sulfur dioxide releases.”

The report says flare gas recovery systems should be a requirement for all flares in the refineries. By recycling the recovered gases, refiners can recover the costs of the systems and make a profit off the gases captured.

Collaboration Requested

The Louisiana Bucket Brigade requested the state’s refiners to sit down with the organization and collaborate on accident reduction. ConocoPhillips, Valero Refining, Marathon Petroleum and Pelican Refining responded positively. The Louisiana Mid-Continent Oil and Gas Association was somewhat responsive but could not speak for the corporations involved.

Twelve of the state’s 17 refineries—including worst offenders ExxonMobil, Calumet Lubricants and Citgo—refused repeated invitations to collaborate in good faith.

This is the second publication of the Refinery Efficiency Initiative, a program to reduce chemical exposure by preventing accidents at Louisiana refineries. The USW is part of this initiative along with the Louisiana Bucket Brigade and other local and national environmental and community groups.

To see five years of refinery accident data, go to the Refinery Accident Database at www.labucketbrigade.org. Common Ground II can be accessed at that site and in the oil section of the USW website, www.usw.org.

Check Out the Oil Website

Go to www.usw.org, click on “Our Union,” and scroll down to “Oil Workers” OR Go to www.oilbargaining.org

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or no benefits.
Stay United

With workers under attack by the Right, it becomes more important than ever for us to stand together in oil bargaining. The experience in Wisconsin teaches us that we must nurture our alliances with other unions, community groups, religious groups and politicians supportive of our cause.

Now is the time for our locals to make themselves known in the community. Volunteer and wear your union hat, button or t-shirt to signify you're a member of organized labor. Collect money for the United Way and have the union present the check to the organization. Get a photo made of the presentation and submit it to the local newspaper.

Wear your union garb when you're shopping in town or going out to eat. The more visible we are the better the community will understand that unions are about helping people and being strong contributors toward the local economy.

I commend Local 10-1 President Jim Savage, Local 7-517 President Mike Hendry and the other oil workers who traveled to the Wisconsin capital to support the public employees fighting for their collective bargaining rights. A big thank you also goes to those of you who

participated in support rallies in your own communities.

Check Out Website

Jim was videotaped giving a speech inside the Wisconsin capital last Saturday, expressing the Steelworkers' solidarity with public employees. You can see that video by going to our oil website, www.oilbargaining.org. Other videos and photos of the protests can be seen on the USW homepage. New ones are being put up almost daily.

You can also see on the oil website a series of articles about refinery safety written by investigative journalists at the Center for Public Integrity. Our press releases last year on health and safety within the oil industry attracted their attention and they began investigating the issue.

Prepare for Negotiations

In my last column I talked about how Shell hired a person to prepare the company for a strike. As I said before, the best way to avoid a strike is to prepare for one. Start setting aside money each month to supplement strike benefits and avoid making major purchases until after contract talks are settled. That's what our predecessors did when they wanted to make the contract gains we take for granted now.

I met with various departments a couple of weeks ago to discuss our plan forward for National Oil Bargaining. Our updated video to "Out of Control" is being finished, and we will get that out to each local. We will be arming you with information to go talk to your U.S. representatives and senators when they return home from recess. There will be mobilizations at shareholder meetings. A sticker is being developed so we can have a nationwide sticker day.

During the summer we will have one-day mobilization trainings for all local unions on a regional basis. Two-day Building Power training will be available upon request during the summer. We also are developing a mobilization schedule for next fall and winter leading into bargaining.

Put on your calendars now that the National Oil Bargaining conference is scheduled for September 19-23 in Dallas at the Sheraton Grand hotel. The media are not invited because this is an internal bargaining conference. We must speak with one voice during these negotiations or the oil giants will pit us against each other.

Gary Beevers

International Vice President

Chair, National Oil Bargaining Program

gbeevers@usw.org

Refiners Asked to Disclose Process Safety Record for Shareholders

The USW has fulfilled its promise to oil workers that shareholder resolutions will be filed with the oil companies regarding what steps they have taken to reduce accident risk.

The AFL-CIO Reserve Fund has filed shareholder resolutions for the USW at ExxonMobil, Chevron, ConocoPhillips, Sunoco, Marathon, Tesoro and Valero. These resolutions call on the companies to put out a report on their tracking and categorization of Process Safety Management (PSM) events, staffing levels, and inspection and maintenance of refineries and other equipment.

So far Sunoco has been the only refiner to comply with the fund's call for increased transparency. The company's 2011 corporate social responsibility report will now disclose important data on its tracking and categorization of PSM events as well as the number of

pressure vessels and relief devices that have been overdue for scheduled inspection.

Sunoco will also disclose and explain its worker fatigue policy and has agreed to work with the USW to develop a tracking system to report on the company's performance and implementation of the policy for its 2012 corporate social responsibility report.

"We have always contended that increasing transparency in this sector is key to improving refinery safety," said USW Vice President Gary Beevers.

"These resolutions are an excellent opportunity to start talking about safety in a meaningful way that relates to shareholders' concerns with financial risk."

"The information we are requesting publication of can serve as another benchmark of the refiners' progress in addressing PSM issues. If these companies publish their track record on PSM they are less likely to do a poor job of keeping their refineries safe," Beevers continued.

Membership Participation

Several of the oil councils plan to hold their council meetings before their respective company's shareholder meeting. Then they plan to present the safety resolutions at the meeting.

We'll let you know what happens in future *Oil Worker* issues.

USW Officials Tell Chemical Safety Board About Lack of Attention Paid to Safety Within Oil Industry

The health and safety problems that led to the fire and explosion of the Deepwater Horizon and subsequent oil spill are symbolic of the problems found throughout the industry, USW officials testified to the Chemical Safety Board (CSB).

The disaster may have been prevented had an adequate risk analysis been done, said Ian Whewell, a retired offshore division director from the U.K.'s Health and Safety Executive.

The CSB held a hearing Dec. 15 as part of its investigation into the April 20, 2010 Deepwater Horizon fire and explosion. The board heard how Australia, the UK and Norway handle regulation of their offshore oil and gas industries and listened to industry and union officials talk about safety within the industry and BP in particular.

Lessons Unlearned

So far, CSB officials investigating the blowout are finding parallels between the Deepwater Horizon tragedy and the 2005 explosion and fire at BP's Texas City refinery, which killed 15 workers and injured 170 people.

"Despite significant progress, not all the lessons of Texas City and other CSB investigations have been effectively implemented by the oil industry," said Don Holmstrom, the board's lead investigator, in an opening statement. "In the Deepwater investigation, we are alert to examining key lessons and recommendations from previous accident investigations to help determine whether the industry is implementing needed changes."

Although the oil industry represents a small part of the industrial facilities under the CSB's jurisdiction, it represents more than half of the CSB's current open investigations. Since 1999, the CSB has investigated 30 major accidents in the oil sector.

Refining Sector Offers Insight

USW Health, Safety and Environment Director Mike Wright testified to the CSB that the health and safety problems within the industry are not confined to BP or offshore exploration and production. He said a lot can be learned about safety management and mismanagement and the industry's culture by examining refining operations.

In 2009 the USW started tracking refin-

ery events using published sources and reports from members. That year the union recorded 45 serious process safety incidents, such as fires, explosions and releases. Five workers died in USW refineries.

The situation worsened in 2010. At the time of the hearing, 49 serious incidents and 11 deaths had been recorded.

Wright told the board: "Every week we get calls from our members about dangerous conditions—dangerously thin piping carrying high-pressure hydrogen; temporary pipe clamps that seem to have become permanent; pipe clamps on top of pipe clamps; cracked process vessels like coker drums; decisions by management to run critical units even where the instrumentation is broken or some of the safety systems are inoperable."

Mixed Record at BP

Joining Wright on the labor panel at the hearing were Glenn Trimmer, secretary-treasurer of USW Local 4959, and Fritz Guenther, Local 4959 chief steward. Their local represents about 320 operators and maintenance workers at BP in Prudhoe Bay, Alaska, the largest oil field in North America.

Trimmer, who has spent the past 22 years in the oil field as an operator, described BP's "stick and carrot" approach to safety: Employees are disciplined for violations and given bonuses for safety performance.

He said the discipline drives incident reporting down.

"We had an incident where a contractor broke his leg and didn't report it for over three hours," Trimmer recalled. "His stated reason: 'I was afraid I would be fired.' When confronted with this, the BP president's reply was: 'We may have gone too far and concentrated too much on the discipline aspect.'"

As for bonuses, Trimmer said the company still has not told the union what actions will affect the performance award.

In 2008 the local's request for overtime information revealed that employees were working 18-hour shifts, he said. The local intervened and management permission became required. However, to get around the new policy the company allowed peo-

ple to work unlimited 16-hour shifts.

"What reasonable person thinks fatigue is not an issue for someone working 16 hours a day for 14 days in a row?" he asked.

A culture of preventive maintenance gave way to understaffing and backlogs in the mid-90s, said Guenther, who has worked 31 years in maintenance at Prudhoe Bay.

"The amount of equipment to operate and maintain more than doubled, yet the available work force was retiring and not being replaced.

"Our maintenance backlog went through the roof. It got so bad that the only work operations that could get done were those coded "E" for emergency repairs, even reaching the point where they developed further emergency categories such as E-1 through E-3," Guenther said.

He said the union, fearing a catastrophe, first brought its concerns to management, then to outside regulatory agencies and finally to the media when nothing changed.

Since 2005 BP has made some improvements and is hiring more people, he said, however there are still corrosion issues and a lack of timely inspections. Plus management continues to fight the union over a fulltime health, safety and environment representative and does not want to be included in the 10-point safety plan agreed to by the USW and BP officials after the Texas City investigation, he said.

Other Nations' Approach

Australian, British and Norwegian regulators told the CSB they changed their safety system from a prescriptive approach, which is based on company's following rules and requirements, to a risk-based system called a "safety case," where companies assess risks and develop plans to take care of them.

"From what I've seen (in earlier hearings about the Deepwater Horizon accident), it looks as if risks were not properly evaluated," Whewell said. "At Macondo, this would have involved considering specific aspects of the well and the reservoir's high-pressure characteristics. If risks had been properly evaluated, it might have influenced significant decisions which were made."

Economic Outlook Positive for Global Refining Sector

In its latest long-term outlook, refining consultancy Turner, Mason & Co. foresees improvement in refining margins this decade.

Cancellations of refinery construction and expansion projects and plant closures the past couple of years have decreased capacity, but should put the market in balance in the second half of this decade.

Turner, Mason assumed there will be steady economic growth and increased demand for distillate fuels—heating oil and diesel. An increase in demand for refined products is expected to outweigh increases in supply and this will lead to better margins.

Demand for gasoline in the U.S. is expected to start declining in 2013 because of new fuel-efficiency standards, growth in ethanol usage and California's Low Carbon Fuel Standard. In emerging economies gasoline demand will grow.

Distillate fuels will be the money-makers for US refiners as demand for them increases at home and abroad. US refiners now export more distillate fuel than they import, with two-thirds of the exports going to Latin America.

Turner, Mason estimates that since 2008 the number of planned new refineries has fallen by 11 to 21, with total crude capacity expansions declining by about half to 6.1 million barrels per day

(b/d). Most of the surviving projects are planned in Asia, where there is expected to be increased demand for gasoline and distillate fuel.

In the past two years, five US refineries have shut down. Even though the economic outlook is positive, some companies are still going to shut down or sell their plants.

Shell plans to shut down its Hamburg facility and Petroplus will shutter its Reichstett plant. BP has its Texas City and Carson, Calif., refineries up for sale while several European plants on sale awhile have not been able to find buyers.

Globally, the consultancy expects demand for refined products to grow by 9.7 million b/d through 2017, exceeding supply growth by almost 3 million b/d.

Fitch Ratings Predicts Mixed Outlook for N. American Refiners

Fitch Ratings, the credit monitoring service, said financial performance for North American refiners in 2011 depends on the speed of economic recovery in the U.S. Although these refineries are benefiting from the slow recovery of the global economy, they remain vulnerable to pressures from global overcapacity, relatively expensive crude oil and high US unemployment rates, Fitch said.

The service said refineries with high-quality, deep-conversion units that crack

feedstock severely at high temperatures will fare better than marginal refineries, which will struggle.

It rated the creditworthiness of half the US refiners as “stable” and half as “negative.”

Fitch said some of the major trends affecting refiners include higher demand for fuel distillates over gasoline and deepening discounts for heavy, sour, high-acid crude oils. Impacting demand will be the U.S. mandate for increased renewable fuel use, rising fuel efficiency standards for vehicles and pending carbon regulation on the state and potential national levels, Fitch said.

“A second risk for North American refiners would be the possibility of a sharp and sustained spike in crude oil prices based on a rapidly depreciating dollar, which would sharply raise prices for US end users and choke off domestic demand,” Fitch said.

The firm said East Coast crack spreads—the difference between the price of crude oil and the price of the products produced from that oil—are wider than those on the West Coast. East Coast refiners remain vulnerable to gasoline imports during the driving season, especially from Europe.

Fitch said it anticipates further gradual improvements in industry profitability in the form of higher utilization rates and/or better margin generation.

Holly, Frontier Oil Combine Their Companies

Refinery operators Holly Corp. and Frontier Oil Corp. said their nearly \$3 billion deal will create the most profitable independent U.S. refiner on a per barrel basis.

The new company, which will be called HollyFrontier Corp., was announced Feb. 22. It will have a refining capacity of more than 440,000 barrels per day across five refineries.

The Mid-Continent, Rocky Mountain and Southwest refining markets will be served by the combined company.

Record Number of Refineries Up for Sale

When the global recession caused refinery profits to fall, integrated oil companies put up some of their refineries for sale to the point where there are more refineries now for sale than at any time in history.

Even though the demand for gasoline and diesel has pushed refining profit margins to their highest level since 2007, the refineries are selling for 80 percent less than they did in 2006, according to an investment bank analyst.

Marathon Oil announced earlier this year it was spinning off its six refineries, and ConocoPhillips plans to sell off refineries so that refining is only 15 percent of its core busi-

ness. BP announced it is selling its Texas City, Texas, and Carson, Calif., refineries. Murphy Oil Corp. said last July it would put its three refineries up for sale to exit that business and focus more on production.

Another analyst told *Bloomberg* there are 2.5 million barrels of daily refining capacity for sale globally, enough to process the entire crude output of Nigeria or Norway. He said the Blackstone Group LP, billionaires David and Charles Koch and energy producers from Brazil and Russia may be eyeing acquisitions of individual plants or company takeovers.

Hydrogen Fluoride Fire Exemplifies Need to Complete USW Survey

A fire in the hydrogen fluoride (HF) alkylation unit at Tesoro's Mandan, North Dakota, refinery is an example of why local unions need to complete the *Hydrofluoric and Sulfuric Acid USW Refinery Survey*.

On Wed., Jan. 19 at approximately 1:00 pm it appeared that a tube failed in a furnace causing a fire on the hydrofluoric alkylation unit at the Tesoro refinery. There were no injuries and the fire was controlled after burning for about two and a half hours.

As of Jan. 31 the unit was still out of service and there was no word how long it would be down. The fire was fortunately contained to the heater and did not compromise any HF lines or equipment containing HF.

Another HF leak

At the Marathon Petroleum Co. refinery in Canton, Ohio, there was a leak of hydrocarbon and HF on Feb. 23. The resulting release of vapors sent workers from the plant. A company spokesman said no one was injured, the leak was contained and the company found "no outside impact" to the community. He said all non-essential contractors and employees were evacuated as a precautionary measure. Marathon had conducted air monitoring in the refinery and in the area.

Completion of the *HF and Sulfuric Acid USW Refinery Survey* will allow our union to document and better understand

health, safety, and environmental issues related to alkylation units and the catalytic chemicals they use—hydrofluoric acid and sulfuric acid.

We want to ensure that hazards related to alkylation processes are minimized; controlled; and, where possible, eliminated. The information from the survey will help us push for needed improvements including programs to support USW local union leaders, rank and file members, and the communities in which we work.

Great Response to Date

Thanks to the 34 refinery units that assembled refinery-based survey teams and completed the *Hydrofluoric (HF) and Sulfuric Acid USW Refinery Survey*. The national survey team is pleased with the number of responses.

7 More Surveys Needed

However, we are still short of our goal of hearing from 70% of the USW-represented refineries. Vice President Beevers is calling on each refinery unit that has not yet completed their survey to do so. The survey planners apologize for the tight schedule between the launch, the deadline and the end of year holidays.

Good News—SurveyMonkey Still Open

The SurveyMonkey web-based link is still accepting responses. If you need another copy of the survey or the SurveyMonkey web link, please contact:

Kim Nibarger of the Health, Safety and Environment Department (412-562-2587 or 412-418-6240) knibarger@usw.org or Tom McQuiston of the Tony Mazzocchi Center (919 251-8374 or 919-260-7835) tmcquiston@uswtmc.org

Sites using only HF or only sulfuric acid for alkylation will only complete one relevant section of the survey. The survey instructions will lead you to the right questions to fill out.

Sale of BP's Texas City, Carson Refineries Won't Impact Contract

BP announced Feb. 1 that it is selling its Texas City, Texas, and Carson, Calif., refineries and said it will ensure there is a smooth transition to the next employer.

Workers' jobs and contracts will be honored since there is a successorship clause in the National Oil Bargaining agreement that covers both facilities.

"We are committed to work with the new company on health and safety issues," said USW President Leo W. Gerard.

The Texas City refinery was the site of a horrific explosion and fire in March 2005 that killed 15 workers and injured 170 others. That incident prompted BP to meet with the USW on ways to improve health and safety at all of the company's refineries.

"We feel we've made a lot of progress with them in making the Texas City and other BP properties safer," said USW Vice President Gary Beevers. "Greater attention is being paid to process safety, and the company is moving in the right direction."

The USW will continue working with BP to ensure all of its operations are safe.

"We intend to meet with BP CEO Robert Dudley to discuss his company's operations in the U.S. and to ensure his health and safety promises are kept," Gerard said.

A meeting date has not been set up yet.

Distribute the *Oil Worker* to All Members!

The Oil Worker is your newsletter. We need every member in your facility to get a copy. So when you receive *The Oil Worker*, make copies for your members and use your Communications and Action Team, steward network or Rapid Response network to distribute them. If you email it to your members, please email it only to their home email address. This newsletter must not go through the company email system.

Oil Companies' Coffers Overflow with 2010 Profits

Some people fear that their refineries will shut down if their employers are forced to use inherently safer technology or to make the refineries safer. If you have any doubt whether or not the oil companies can afford to make their facilities safer for you and your community, take a look at their profits for the fourth quarter and all of last year. With the price of oil going up now because of unrest in the Mideast, expect oil companies with upstream operations to really rake in the dough.

ExxonMobil

ExxonMobil beat Wall Street analysts' expectations by earning \$9.25 billion in the fourth quarter of 2010. This quarter was the company's best performance since the third quarter of 2008 when oil went for \$115 a barrel. Oil averaged \$77/bbl (barrel) in the fourth quarter.

Improved operating margins in the company's upstream business accounted for the increased profit. The trade publication, *Oil Daily*, said "Exxon eked out a small earnings beat thanks to better-than-expected refining margins, which offset lower throughput volumes of 5.3 million barrels per day (b/d).

For all of 2010, ExxonMobil earned \$30.5 billion, compared with \$19.3 billion in 2009. Chairman and Chief Executive Rex Tillerson told the media, "The full-year 2010 earnings... (were) driven by higher crude-oil and natural-gas realizations, stronger refining margins and record chemical performance."

Downstream earnings totaled \$1.15 billion for the fourth quarter, compared with a year-ago loss of \$189 million.

Chevron

Rising oil prices, asset sales and improved refinery margins contributed to \$5.3 billion in fourth-quarter earnings for Chevron, reported *The Mercury News*.

U.S. refinery and retail operations earned \$475 million, compared with a year ago loss of \$333 million.

Company CEO John Watson told the newspaper: "Looking at our downstream business, we made truly great progress in the first year of a three-year plan to improve returns. A new (downstream) organization is now in place and focused on tactical plans to improve performance."

Bloomberg reported that the U.S. refining unit earned \$75 million and failed to

meet a Barclay analyst's expectation of \$277 million.

For 2010, the company earned \$19.02 billion, which was an 81 percent increase compared with 2009.

Shell

Shell earned a fourth quarter profit of \$5.7 billion, up from \$1.2 billion for the same period a year ago. Its 2010 profit of \$18.6 billion was almost double its 2009 profit of \$9.8 billion. Higher oil prices, increased production, cost cutting and chemicals margins were attributed for the profit growth.

ConocoPhillips

Conoco earned \$1.9 billion in the fourth quarter of 2010. Higher profit margins because of increased fuel demand caused the company's refineries to earn \$207 million in the fourth quarter compared with a loss of \$215 million a year ago.

Chief Financial Officer Jeff Sheets told the *Associated Press* the company plans to scale back its refining business. One analyst said it might be a good time to sell the refineries while they're highly profitable.

In 2010, Conoco earned \$11.4 billion compared with \$4 billion in 2009.

Marathon

An increase in oil and natural gas prices caused Marathon Oil Corp.'s net income to nearly double in the fourth quarter to \$706 million from \$355 million in the same period last year. The company's refining, marketing and transportation segment reported \$213 million in earnings for the fourth quarter, compared with a loss of \$18 million in the same period last year.

For all of 2010, Marathon had net income of \$2.6 billion compared with \$1.5 billion in 2009.

Valero

In the fourth quarter of 2010, operating income for Valero was \$378 million versus an operating loss of \$135 million for the same period last year. The company attributed improved operating income to an increase in refining throughput margins to \$7.30 per barrel, a 49 percent increase from the fourth quarter of 2009. Higher margins for diesel and gasoline along with better discounts for heavy-sour feedstocks

led to the increase in throughput margins.

For the entire year, Valero reported income from continuing operations of \$923 million versus a \$273 million loss for 2009 from continuing operations.

Sunoco

Excluding special items, Sunoco had income of \$13 million for the fourth quarter of 2010 versus a 2009 loss of \$31 million for the same period. Refining and Supply had a loss of \$8 million in the fourth quarter of 2010 versus a loss of \$135 million in the same period for 2009. The improved fourth quarter results were primarily due to higher realized margins and lower expenses, partially offset by lower production volumes.

For 2010 as a whole, Sunoco reported a profit of \$234 million versus a loss of \$329 million in 2009.

Tesoro

For the fourth quarter of 2010, net income was \$3 million, versus a loss of \$179 million for the same period in 2009. However, Tesoro benefited from several positive one-time earnings items in the fourth quarter of 2010. Without these items, the company would have reported a net loss of \$19 million.

The gross refining margin for the fourth quarter of 2010 was \$12.33 per barrel, versus \$5.37 the previous year. Diesel and gasoline margins increased largely from the growth in Asian demand and increased levels of U.S. exports to Europe and South America.

Tesoro reported a net loss of \$29 million in 2010, which was an improvement compared to a net loss of \$140 million for 2009.

BP

As expected, BP's costs for the oil spill impacted the company's earnings for 2010, but the fourth quarter results show the company is making a strong comeback because of high oil prices.

BP's loss of \$4.9 billion in 2010 was the first for the company since 1992, and compares with a profit of \$13.9 billion in 2009.

In the fourth quarter of 2010, the company's profit was \$4.6 billion—about three times higher than in the third quarter of 2010, which was \$1.8 billion. In the fourth quarter of 2009 profit was \$3.44 billion.

Former OCAW, PACE Leader Jim Byrd Passes On

Longtime union activist Jim Byrd died Feb. 9 in Pearland, Texas after a series of illnesses. He was 73.

Jim had suffered cancer and had beaten it with radiation treatments. Last August he had three stents put in his heart. Toward the end of his life he was diagnosed with Parkinson's disease.

In 1960 when he was working for Lone Star Gas, Jim joined OCAW Local 4-449 and became involved in the union as a committee person, steward, chairperson and local president. He came on staff as an international representative in November 1976 and became District 5 director in 1997. After the January 1999 merger between the OCAW and paper-workers union, he became a vice president and regional director of PACE Region Six.

He was involved with the Texas AFL-CIO and Harris County AFL-CIO, and was vice president of the Dallas County AFL-CIO.

When asked to list his organizing

activity on a PACE staff data sheet, he wrote "too numerous to list."

He and fellow PACE Region Six Vice President and Regional Co-Director Lewis Peacock oversaw the organizing of 15 new locations, six independent union affiliations and numerous successful close-the-ranks campaigns. These efforts brought in approximately 7,500 new PACE members to Region Six. The organizing victories at two major oil refineries and the affiliation of independent unions at three world-class refineries strengthened the National Oil Bargaining Program.

Remembering Jim

"Jim was a great help to me when I became PACE Region Six vice president and regional director when he retired after the 2003 PACE convention," USW Vice President Gary Beevers said. "It was a pleasure to work with him. He cared deeply about the membership."

Dan Edwards, who is the editor of the

OCAW staff retirees newsletter and was the assistant to OCAW Secretary-Treasurer Joe Christie, recalled meeting Jim in early 1972 when he was president of the Lone Star Gas local in the Dallas/Ft. Worth area.

"I was a young rep. assigned to assist in negotiating a contract with the newly organized Ft. Worth unit. This ended up in a strike and Jim and I spent many hours together on the picket line and at the negotiating table. We were successful in obtaining an initial labor agreement for this unit."

Jim had a strong sense of humor and was easy-going. He liked to joke with headquarters staff and would occasionally say, "Kiss the ring" when we saw him.

He is survived by his wife of many years, Marilyn; son, David (wife Margaret, daughter Kristi); and daughter, Sherri (son James).

Cards and condolences may be sent to: Marilyn Byrd, 2312 Halbert, Pearland, TX 77581.

Help Iraqi Oil Workers Publish a Newspaper

The Iraq Federation of Oil Unions is asking union members to help the organization raise funds to publish a monthly newspaper so the group can communicate with thousands of their members who are spread throughout Iraq.

Government repression has made it impossible for the labor federation to collect dues, open a bank account or operate in a normal manner.

US Labor Against the War (USLAW) and the Iraq Veterans Against the War

(IVAW) have agreed to help the union federation raise the necessary funds. It costs \$600 a month to produce the newspaper.

USLAW is asking local unions to contribute monthly, quarterly, semi-annually or to make a one-time donation to help reach the goal of \$600 per month for the Iraqi oil workers. It only takes 12 local unions, each contributing \$50 per month, to cover the monthly cost of producing the newspaper.

Individuals can contribute as well. It would only take 60 people, each contributing \$10 a month, to cover the monthly cost of the paper.

To make a contribution you can send a check payable to "USLAW Iraq Labor Solidarity Fund" to 1718 M Street NW #153, Washington, DC 20036. Put "Newspaper" in the memo line or go to:

https://salsa.democracyinaction.org/o/2488/t/3434/shop/custom.jsp?donate_page_KEY=6753.

Workers Memorial Day Material Available

The following four (4) links are to documents for your information and use in your workplace for Workers Memorial Day, April 28, 2011.

Order form = <http://www.uswtmc.org/tools/assets/files/Mail-fax-Order-Form2011.doc>

Poster = http://www.uswtmc.org/tools/generic_pages/files/WMDposter2011-1.png

Fact Sheet = http://www.uswtmc.org/tools/generic_pages/files/WMD-Flier-Fact-Sheet-2001-1.png

Stickers = http://uswtmc.articulatedman.com/tools/generic_pages/files/stickers2011-2.png

All information is taken from the Department of Energy (DOE) website. For the complete list of refinery events go to www.oilbargaining.org

ExxonMobil Shuts Unit to Repair Leak at 567,000 b/d Baytown, Texas Refinery

ExxonMobil de-pressured a raffinate hydroconversion unit (RHC) to repair a leak at its 567,000 b/d Baytown, Texas refinery on October 27, the company said in a filing with state regulators. "There was no impact on supply and all customer needs are being met," according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=146738>

Reuters, 17:34 October 28, 2010. Posted to DOE website 10-29-10.

Equipment Snag Triggers Flaring at Coffeyville Resources' 115,700 b/d Coffeyville, Kansas Refinery October 28

The company was attempting to return the affected unit to normal service, it said in a regulatory filing.

Reuters, 00:16 October 29, 2010. Posted to DOE website 10-29-10.

Unscheduled Flaring at Valero's 135,000 b/d Wilmington, California Refinery by November 1

Reuters, 12:58 November 1, 2010. Posted to DOE website 11-1-10.

No Impact on Production after FCCU Reduced Due to Loss of Oxygen at ExxonMobil's Baytown Refinery in Baytown, Texas November 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=146940> Posted to DOE website 11-3-10.

Motiva Reports Ethylene Release as it Changes Pumps at 220,000 b/d Norco, Louisiana Refinery November 3

It was not clear if the incident had any impact on production.

00:40 November 4, 2010. Posted to DOE website 11-4-10.

Fire Forces Shut FCC at Citgo's 167,000 b/d Lemont, Illinois Refinery November 2

Citgo shut a fluid catalytic cracking unit (FCC) for minor repairs after a brief fire at its 167,000 b/d Lemont, Illinois refinery on November 2, the company said. The blaze was extinguished quickly.

Reuters, 15:33 November 3, 2010. Posted to DOE website 11-4-10.

Unit Shutdown Triggers Flaring at Tesoro's 100,000 b/d Wilmington, California Refinery on November 4

A process unit shutdown for unscheduled reasons on November 4, leading to flaring at Tesoro's 100,000 b/d Wilmington, California refinery, the company said in a filing with state regulators. The filing did not say which unit was affected or whether the incident had any impact on production. Trade and industry sources, however, said a hydrocracking unit had shut down.

<http://www.oes.ca.gov/Operational/MALH.az.nsf/f1841a103c102734882563e200760c4a/84aa25f82dae408d882577d100834c18?OpenDocument>

Reuters, 21:02 November 4, 2010

Reuters, 11:51 November 5, 2010. Posted to DOE website 11-5-10.

Citgo Reports Storage Tank Spill at 163,000 b/d Corpus Christi, Texas Refinery on November 4 – Company Adds Foam to Spilled Material, Initiates Cleanup Measures

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=147032> Posted to DOE website 11-5-10.

Equipment Malfunction Leads to Hydrogen Sulfide and Sulfur Dioxide Release at CVR Energy's 120,000 b/d Coffeyville, Kansas Refinery

<http://www.bloomberg.com/news/2010-11-08/n-y-gasoline-premium-weakens-as-refinery-work-expected-to-end.html> Posted to DOE website 11-8-10.

Shell Reports Unscheduled Flaring at 156,400 b/d Martinez, California Refinery on November 7

<http://www.oes.ca.gov/Operational/MALH.az.nsf/f1841a103c102734882563e200760c4a/068bcc32cfce3b87882577d4002a04c0?OpenDocument> Posted to DOE website 11-9-10.

Citgo Reports Benzene Release, BTX Unit Shutdown at 163,000 b/d Corpus Christi, Texas Refinery – Leak Stopped in Less than Two Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=147255> Posted to DOE website 11-12-10.

Equipment Failure at Chevron's 330,000 b/d Pascagoula, Mississippi Refinery November 13

A leak in the process line led to a release of hydrogen sulphide.

Reuters, 00:43 November 15, 2010. Posted to DOE website 11-15-10.

Compressor Failure Leads to Flaring at Shell's 329,000 b/d Deer Park, Texas Refinery November 13

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=147368> Posted to DOE website 11-15-10.

Motiva Reports Unit Snag at 235,000 b/d Convent, Louisiana Refinery November 15

It was not clear which unit was affected or whether the incident had any impact on production.

DJN, 10:12 November 16, 2010. Posted to DOE website 11-16-10.

Operator Error Leads to Release from SRU at U.S. Oil & Refining's 37,850 b/d Tacoma, Washington Refinery by November 17

An operator error led to a release from a sulfur recovery unit (SRU), the company said in a filing with the National Response Center. It was not clear if the incident had any impact on production.

<http://www.bloomberg.com/news/2010-11-17/top-oil-market-news-crude-declines-for-fourth-day-bp-report.html> Posted to DOE website 11-17-10.

Erosion to Blame for Hydrogen Sulfide Release from Flare Line at Shell's 145,000 b/d Anacortes, Washington Refinery November 16

<http://www.bloomberg.com/news/2010-11-17/top-oil-market-news-crude-declines-for-fourth-day-bp-report.html> Posted to DOE website 11-17-10.

Compressor Snag Leads to Flaring at Chevron's 257,200 b/d Richmond, California Refinery November 18

<http://www.oes.ca.gov/Operational/MALH.az.nsf/f1841a103c102734882563e200760c4a/6dfc2cc5a1a81abb882577df004b60b5?OpenDocument>

<http://www.businessweek.com/news/2010-11-18/chevron-richmond-refinery-flares-after-compressor-loss.html> Posted to DOE website 11-18-10.

Equipment Failure Leads to Flaring at Frontier's 135,000 b/d El Dorado, Kansas Refinery by November 19

It was not clear which equipment was affected. A spokeswoman said she would not speak about day-to-day operations

Process Safety Incidents—October 28—November 29, 2010

"unless there is a material impact."

<http://www.bloomberg.com/news/2010-11-19/frontier-reports-equipment-failure-at-el-dorado-plant-update1-.html> Posted to the DOE website 11-19-10.

Process Malfunction Leads to Potential Hydrogen Sulfide Release at BP's 265,000 b/d Carson, California Refinery November 19

A flaring event also occurred on November 20 at the facility. It is not clear if there was any effect on production.

Reuters, 10:55 November 22, 2010. Posted to the DOE website 11-22-10.

ExxonMobil Reports Release of Ammonia Gas at 248,000 b/d Joliet, Illinois Refinery November 19

<http://www.bloomberg.com/news/2010-11-21/exxon-mobil-reports-ammonia-release-at-joliet-refinery.html>

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2010-1273> Posted to the DOE website 11-23-10.

ExxonMobil Extinguishes Fire at 344,500 b/d Beaumont, Texas Refinery November 24

A small fire occurred in a processing area at ExxonMobil's 344,500 b/d Beaumont, Texas refinery on November 24, but the company had nearly extinguished the blaze within 30 minutes, a local news source said. It was not clear if the incident had any impact on production.

<http://af.reuters.com/article/energyOilNews/idAFWNAB505120101124> Posted to the DOE website 11-24-10.

Fire Controlled at LyondellBasell's 268,000 b/d Houston, Texas Refinery November 23

A "small fire" occurred after "a leak during the restart of a process unit" at LyondellBasell's 268,000 b/d Houston, Texas refinery on November 23, but the fire was brought under control and there were no injuries, a company spokesman said. The company was, at the time of the incident, restarting units after a weekend, plant-wide shutdown. The spokesman said it was too soon to say if the incident would impact the restart of the affected unit, but that "the rest of the restart at the refinery is going on."

<http://www.bloomberg.com/news/2010-11-23/lyondell-s-houston-plant-has-fire-as-unit-restarts-update1-.html> Posted to the DOE website 11-24-10.

Update: After Small Fire, ExxonMobil Continues to Operate its 344,500 b/d Beaumont, Texas Refinery November 24

A small fire left one worker with minor injuries at ExxonMobil's 344,500 b/d Beaumont, Texas refinery on November 24, but the facility continued to operate, the company said in a statement. Reuters, 15:46 November 24, 2010. Posted to DOE website 11-29-10.

Valero Makes "Unit Adjustments" at 310,000 b/d Port Arthur, Texas Refinery November 26

Valero "made unit adjustments" after a compressor caused flaring on November 26 at its 310,000 b/d Port Arthur, Texas refinery, the company said in a filing with state regulators. The flaring occurred after "the wet gas compressor received light end material from an unknown source," according to the filing. It was not clear if the incident affected production.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=147779>

<http://www.nasdaq.com/aspx/stock-market-newsstory.aspx?storyid=201011281712do-wjonesdjonline000238&title=valero-reports-flaring-at-port-arthur-tx-refinery> Posted to DOE website 11-29-10.

Total Reports Unit Shutdown, Flaring at 240,000 b/d Port Arthur, Texas Refinery November 26

A compressor snag led to the shutdown of a "SCOTT" unit at Total's 240,000 b/d Port Arthur, Texas refinery on November 26, the company said in a filing with the National Response Center. It was not clear if the incident had any impact on production.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=147776>

<http://www.bloomberg.com/news/2010-11-27/total-port-arthur-texas-refinery-has-unit-shut-emissions.html>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=960764 Posted to DOE website 11-29-10.

Equipment Failure Leads to Malfunction at Motiva's 234,700 b/d Norco, Louisiana Refinery November 27

It was not clear which units were affected or whether the incident had any impact on production.

Reuters, 15:35 November 28, 2010. Posted to DOE website 11-29-10.

NOTE: Local union reports failed heater tubes, heater fires as well as ruptured

1500# steam line, no injuries, unit down one to two weeks.

Update: FCC Shuts at 150,000 b/d Torrance, California Refinery November 26: Trade Source

A 100,000 b/d gasoline-making fluid catalytic cracking unit (FCC) shut on November 26 at ExxonMobil's 150,000 b/d Torrance, California refinery, a trade source said. ExxonMobil did not confirm the affected unit. The company had planned to return the refinery to normal operations over the weekend, a spokeswoman said previously, after a third-party power outage forced shut some units at the facility on November 24. The same spokeswoman said on November 28, however, that "a mechanical issue" led the company to shut a unit on November 26. Reuters, 15:56 November 26, 2010. Reuters, 11:00 November 29, 2010. Reuters, 19:45 November 28, 2010. Reuters, 12:49 November 29, 2010. Posted to DOE website 11-29-10.

Valero Reports Leak, Flaring at 142,000 b/d Corpus Christi, Texas Refinery – Company Sees no Impact on Production

Valero planned to de-pressure units at its 142,000 b/d Corpus Christi, Texas refinery as it performed "unplanned maintenance" on the "Boiler Feed Water System," the company said in a filing with state regulators. The system had a leak, but the incident did not impact production, a Valero spokesman said separately. The company planned to restart the affected equipment on November 29 – December 1, according to a later filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=147812>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=147815>

<http://af.reuters.com/article/energyOilNews/idAFN2817569120101129> Posted to DOE website 11-29-10.

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