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From the Chair

We are less than a year away from National Oil Bargaining (NOB) and several of the councils have met or are planning to convene prior to our September NOBP policy meeting. Hopefully, all the councils will begin formulating their bargaining proposals beforehand, so we can have a starting point when we meet.

We are in the process of compiling the call letter and we will send it shortly. The National Oil Bargaining Program conference will be September 23-26, 2018 in San Diego.

We are busy getting the implementation phase coordinated in California for the new Process Safety Management (PSM) standard. We also are having meetings in Washington State on its proposed new PSM language. Hopefully, we will have two harmonized standards on the West Coast that will help us and our employers.

These revised PSM standards will be a model for other state plans and OSHA by vastly improving the PSM standard OSHA created nearly 25 years ago. These revisions are based on the Center for Chemical Process Safety (CCPS) "red book" and incidents in refineries around the world, with the intent to lessen the occurrences and severity of process-related accidents in the industry.

The USW HSE conference is March 26-30. On Wednesday evening (March 28) after the sessions, we will have an informal gathering for the oil sector. If you are attending the conference, plan to make the oil meeting; we look forward to sharing information.

A revised fatigue risk management recommended practice, API 755, should be out shortly. Once it is released, we will send information on the changes and their effect on the locals. Over the last few weeks several serious incidents occurred. Fortunately, no one was injured, but it reminded us of the volatile industry we work in and how we must be vigilant about small changes in our work environments. If something doesn't seem quite right, we must raise an alarm and see that it is investigated. By spending time on the units, we know how things sound and feel, and it gives us a better ability to quickly detect when something changes. We can never get complacent about our work.

We will continue our activism around changes to the renewable identification number (RIN) section of the

renewable fuel standard (RFS) without pushing for any changes in the blend wall. Something must be done about the traders who are speculating on the price of a non-commodity and raking in the profits at the expense of our merchant refiners' bottom line. The fluctuating price deters those affected refineries from budgeting for RIN costs, and it directs money away from needed expenditures, such as maintenance and equipment improvements. The RIN price has decreased because of the recent discussions on setting a price cap, but until this is achieved, these merchant refineries operate at the mercy of an uncontrolled market.

Exciting and challenging times are ahead for our industry. Companies mostly have enjoyed a profitable year, and the change in tax status should add to their income. We look forward to sharing these profits and working with our employers to maintain production at optimum levels in a safe and reliable manner. Our operators and maintenance personnel are the most dependable and highest trained workforce in the industry, and we take pride in our jobs.

As summer gets closer and our thoughts turn to vacations and more time with our families and friends, we cannot lose sight of our everyday activities. We must focus at work and do our jobs like our lives depend on it, because they do.

I look forward to seeing those of you attending the USW Health, Safety & Environment conference and USW Triangle of Prevention (TOP) meeting in Pittsburgh next week.

**In Solidarity,
Kim Nibarger
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Kim Nibarger

Oil Workers Rally to Save Philadelphia Refineries

Seven years ago Philadelphia oil refinery workers and the USW fought hard to keep three refineries open. New owners purchased two of the refineries and one turned into a terminal.

Now, the mechanism used to track compliance with the Renewable Fuel Standard (RFS)—Renewable Identification Numbers (RINs)—is threatening to shut down the Philadelphia Energy Solutions (PES) refinery.

PES does not have the capacity to blend biofuels like ethanol, so it must purchase RIN credits on the open market. RIN prices have fluctuated between one to two pennies a gallon of ethanol and as high as \$1.40 a credit.

In 2017 alone, PES said it spent about \$218 million on RINs. This was more than twice the company's payroll, almost one-and-a-half times its average annual capital expenditures and four times its interest expense. Crude oil is PES's only expense that is larger than its RINs cost.

In late January, PES filed for Chapter 11 bankruptcy and blamed RINs costs. On March 12, the Environmental Protection Agency (EPA) allowed the company to pay roughly half of the \$350 million in RFS compliance costs it owed. In addition, the agency will hold PES under stricter compliance guidelines moving forward.

The Pennsylvania Department of Revenue filed with the bankruptcy court on March 16 a request for payment of delinquent fuel taxes. The estimated unaudited amount—\$3.8 billion—is quite high compared to the \$43 million in cash on hand when the refiner filed for bankruptcy.

With the bankruptcy in mind, PES and USW Local 10-1 invited Republican Senator Ted Cruz of Texas to a Feb. 21 rally so he could press the Trump administration into revising proof of compliance with the RFS. Cruz has been a leader in the effort to reform the RFS. He

has organized meetings with administration officials.

At the rally, Cruz said that “a RIN is not a commodity...it's a made-up government license.” Cruz has suggested placing a 10-cent cap on a RIN. This would save refiners millions of dollars, but the biofuels industry rejected it as being unworkable.

USW Local 10-1 President Ryan O'Callaghan said the rally resulted in a meeting with President Trump, where he mediated a discussion between the ethanol industry and the refining sector. O'Callaghan represented organized labor, and there is hope of a beneficial resolution.

At the meeting, refiners suggested a fixed two-year price cap for RINs. To overcome opposition from the farm and renewable fuel groups over the refiners' proposal, there is new discussion around a triggered price cap. This would involve an EPA waiver to expand sales of 15 percent ethanol gasoline blends. Included in the plan is an incentive for those sales by attaching a multiplier to increase the number of RINs to help lower refiners' RIN costs.

Amidst the political uncertainty over RINs, their cost has fallen nearly 40 percent in recent weeks to the current trading price around 42 cents each.



Above: Philadelphia Energy Solutions Chief Executive Officer Gregory Gatta addresses the rally.
Photos by: Peter Denesowicz, PPD Associates

Australian Oil Workers Request Support in Contract Fight

Oil workers fighting ExxonMobil's Australian subsidiary, Esso Australia Pty Ltd (Esso) and its maintenance contractor, UGL, for a fair contract are requesting several acts of solidarity from their USW supporters.

They have picketed seven days a week, 24 hours a day for over 236 days at Esso's Longford gas plant in Australia.

With Esso's support, UGL wants to slash workers' pay up to 30 percent, cut benefits for 200 maintenance contractors, and impose a work schedule that would force offshore workers to spend more time away from home.

Besides hurting local businesses, these regressive demands and UGL's failure to negotiate a fair settlement negatively impact workers' families.

"They are the unfortunate victims who pay the ultimate price when it comes to a fight like this," said Troy Carter, shop steward with the Australian Manufacturing Workers Union (AMWU). "However, we are determined to continue 'Standing Up & Fighting Back' for as long as it takes."

How to Help

- **Financial Support:** A go fund me page was set up for personal donations at <https://www.gofundme.com/essoworkers>. Secondly, a group or worksite can collect money and send it via an International Money Transfer (IMT). Get banking account details at <https://www.essouglydispute.com/donate.html>

(Local unions may need to contact Troy Carter, troyoffshore@netspace.net.au, for the account address to be used with IMT.)

- **Send a letter to ExxonMobil's CEO:** The workers drafted a template resolution letter to send a message of dissatisfaction to ExxonMobil CEO Darren Woods. Contact Troy Carter, AMWU shop steward, for a copy of the letter to send. Carter's email address is troyoffshore@netspace.net.au.

- **Share a Solidarity Video or Message of Support:** Use your own or your local union's Facebook page to share such a video and/or message of support. Carter said it would be great if the USW ExxonMobil council shot a solidarity video and/or photo before or after its meeting with management.

- **Share a Photo or Tweet a Photo/Message:** Shoot a photo with a selfie sign saying @AusGasWorkers #AusGasWorkers.

- **Hand out a flyer or share this story with someone you know who may want to support the Australian oil workers.**

More Information

"By participating in these actions, you will ensure continued support to our families while we continue to 'Stand Up & Fight Back' for as long as it takes," Carter said. "I personally thank you for your support."

For more information, reach Troy Carter at troyoffshore@netspace.net.au or +61 419-358-196.



PhilaPOSH Honors Local 10-234 Health and Safety Activist

The Philadelphia Project for Occupational Safety and Health (PhilaPOSH) honored Local 10-234 USW Triangle of Prevention (TOP) Representative Dawn Andreoli with a Leadership in Health and Safety Award at its 33rd Annual Awards Reception last November.

Local 10-234 nominated Andreoli for her ongoing commitment to health and safety. Besides being a safety representative for the local, she initiated the TOP program at Monroe Refinery after Delta Airlines bought the former Phillips 66 site in Trainer, Pa.

Monroe Energy and the local signed a contract with TMC to do the TOP program in September 2016. The local's executive board appointed her to be the TOP representative

"Although I am honored to receive this award, it really is due to the support of the union, the workers, the company and the USW Tony Mazzocchi Center (TMC)," Andreoli said.

From Zero to 60

"We've taken the TOP program from zero to 60 in a very short time," she said. "We've been able to get cooperation from managers who weren't confident in the program."

"We went from investigating low-level incidents, such as simple motor vehicle accidents, to doing significant investigations with management, such as a Ferric Chloride spill. Management is telling us, 'You guys are doing well investigating incidents, so we want to get you more involved,'" she added.

Andreoli said that employees actively provide information on near misses, and she collects the data and posts it to a spreadsheet. This enables her to see trends and

direct management's focus to needed fixes.

"Dawn is the only person in the refinery who can do the tracking," said Local 10-234 Alternate TOP Representative Matt Birney. "She documents every near miss and incident throughout the refinery and breaks it down in a category."

Although the company conducts a multitude of audits, it is unable to track data like we can, Andreoli added.

A series of incidents last fall exemplified this ability.

"People were reporting things wrong with steps, ladders, platforms and stairs; we categorized them and put them on a spreadsheet. We were able to track a trend with that information and present it in a way that made sense. It was exciting for us to see our hard work come to fruition!" Andreoli said.

"You can say something to someone 100 times, but when you show it on paper, it means something," she added.



(L-R) Matt Birney, LU 10-234 alternate TOP representative, and Dawn Andreoli, LU 10-234 TOP representative. Oilworker editor Lynne Hancock interviews both members. Photo credit: Mike Hancock, LU 9-562 retiree

Plan to Commemorate Workers Memorial Day

Workers Memorial Day is April 28, and the remembrance for workers killed on the job or by work-related diseases is held that day and throughout the previous week. Now is a good time to plan an event, such as a candlelight vigil, a rally, the laying of a wreath and the planting of a tree. Your local could also have a safety training that day. For resource material and ideas, go to the AFL-CIO's webpage <https://aflcio.org/about-us/conferences-and-events/workers-memorial-day> and the National Council for Occupational Safety and Health webpage <http://coshnetwork.org/wmw-resources>.

