UNITED STEELWORKERS
USW
UNITY AND STRENGTH FOR WORKERS
OIL WORKERS

THE OILWORKER

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From the Chair

We are sending the call letter soon for the September National Oil Bargaining Program (NOBP) conference. If there is a change in local or unit leadership, please ensure that the letter reaches the appropriate person(s).

Also, please send to Julie and me the names of your newly elected officers as soon as possible. For locations with turnover, I am scheduling meetings to give a briefing on the national oil bargaining process. Having current contact information helps in reaching out to the correct person.

We are scheduling a Process Safety Representative training the week of August 6 at the Local 13-423 hall in Port Arthur, Texas. We are sending a call letter out shortly, but wanted to give you a heads up since we have received inquiries about the next class.

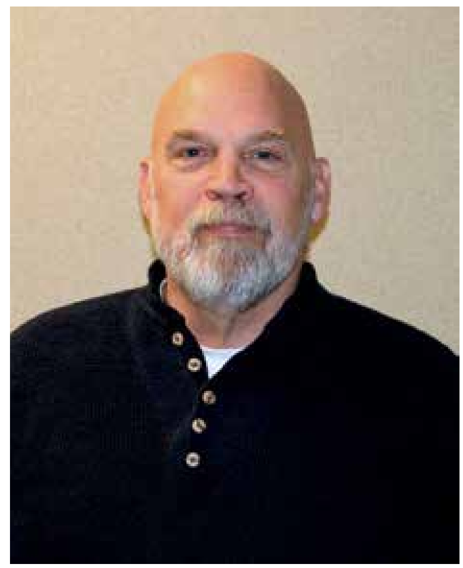
Our first NOBP kickoff sessions were conducted at our Andeavor local in Mandan, N.D., and our Suncor local in Denver. Throughout the summer and fall, the strategic campaigns department is traveling to oil locals and helping them prepare for bargaining in 2019. Please work with strategic campaigns staffers as they help the locals to get as many members as possible to attend these important kickoff sessions.

One concern we heard from members when visiting locals to critique our 2015 bargaining preparation was that not enough information was shared. This round we have a new action program. We encourage all oil locals to participate in this process because it's an essential step in preparing for bargaining.

As we lead up to NOBP negotiations, we have received a number of contract extension requests from companies. This is not unusual. They were granted at times in the past, but so far this year, we have not entertained any such requests.

It is my opinion that we can accomplish more being united and moving lockstep as a group than we can bargain separately. That is why we push to negotiate as councils. It makes sense to bargain as one group since we have many of the same interests.

Last week we saw movement in a couple of areas where our union has fought hard to preserve our jobs. The renewable fuel standard discussions between the ethanol and oil sectors resulted in a proposal that seems to be one the merchant refiners can support. This proposal would allow sales of E-15 fuel year round and ethanol exports to qualify for Renewable Identification Numbers (RINs). This would add a large number of RINs to the market, giving a win to both sides. The current discussions prompted RIN costs to drop to around 30 cents. This is a significant reduction in costs for refiners.



Kim Nibarger

The other positive news was the Pennsylvania Public Utility Commission (PUC) recommendation to not reverse the flow of the Buckeye pipeline. This enables our Philadelphia-area refineries to continue moving product to the Pittsburgh area. The downside is that Buckeye will have multi-directional flow capability, which increases the potential for moving product from the Midwest to Pittsburgh. We must watch this situation closely since a refinery price war could cause a high volume of gasoline flowing from the Midwest to Pittsburgh and prompt the company to return to the PUC and argue that it is not receiving the full potential of the pipeline flow heading west out of Philadelphia.

I look forward to seeing many of you in the coming months as we prepare for our September NOBP conference to set oil policy.

In Solidarity,
Kim Nibarger
NOBP Chair
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USW Presents “Sunshine” Proposal at ExxonMobil Shareholders Meeting

ExxonMobil shareholders will be considering a USW proposal on the company’s direct and indirect lobbying activities at the annual shareholders meeting on Wed., May 30, 2018 at 9:30 a.m. CT in the Morton H. Meyerson Symphony Center in Dallas, Texas.

USW Local 13-2001 President Ricky Brooks will present the proposal. Joining him at the meeting are several Australian union members who are on strike against a maintenance contractor that works for ExxonMobil’s Australian subsidiary— Esso Australia Pty Ltd (Esso). The Australians have some questions they want the company to answer.

The USW encourages its members who have stock in the company to vote for the proposal- Item #7, which requests the company to provide an annual report on lobbying at the local, state and federal levels:

“Whereas, we believe in full disclosure of ExxonMobil’s direct and indirect lobbying activities and expenditures to assess whether ExxonMobil’s lobbying is consistent with its expressed goals and in the best interests of shareholders.

“Resolved, the shareholders of ExxonMobil request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by ExxonMobil used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. ExxonMobil’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described in sections 2 and 3 above.”

Grassroots lobbying communication is directed toward the public. It refers to communication about specific legislation or regulation, the company’s view on those items, and its encouragement to the recipient of the communication to take action.

Indirect lobbying means ExxonMobil’s membership in a trade association or other organization that does lobbying.

Each year the report would be presented to the company’s audit committee or other relevant oversight committees and posted on the company website.

Why Support

“The shareholders have a right to know how ExxonMobil is spending their money to influence legislation and change regulatory protection that may not be in their or their family’s best interest,” said Kim Nibarger, head of the USW’s National Oil Bargaining Program. “This proposal is a step in the right direction.”

ExxonMobil spent over $94 million on federal lobbying since 2010. It also lobbies in 33 states, according to an investigative piece from the Center for Public Integrity, but the company’s disclosure is uneven or absent. ExxonMobil does not provide this information, and it is only disclosed if reporters dig for it.

The company also does not disclose its memberships or payments to trade associations or the amount of its money used for the organizations’ lobbying. Again, outside sources reveal that the company is a member of the American Petroleum Institute (API), Business Roundtable and National Association of Manufacturers. These groups collectively spent $44 million on lobbying for 2017.

ExxonMobil is also a member of the American Legislative Exchange Council (ALEC), and its membership drew media focus. ALEC is infamous in labor union circles for creating model legislation that attacks workers’ rights.

Company response

ExxonMobil recommended a vote against the proposal. It said it supports accountability and “appropriate” (editor’s emphasis) transparency and disclosure of lobbying activities and expenditures.

The company said it places its key issues, lobbying activities, and political activities policy and guidelines on its website. In addition, it said it publishes quarterly reports on its federal lobbying and the portions of its payments to trade associations and other groups that spend money on federal lobbying. It says these reports and its contributions to more than 100 U.S.-based organizations, including ALEC, are on its website as well.

In reality, USW and its investor allies have never been able to adequately research the payments paid to trade associations as the company claims. ExxonMobil advised USW that it would give a “tutorial on where to find the data”—but thus far this project has stalled, and the necessary information has not been revealed.

USW Lead Filer

For six years, the USW took the lead in filing this proposal for ExxonMobil’s proxy statement. Last year, it received 28 percent of the shareholder vote - a 2 percent increase from the previous year. USW is joined by over 25 other religious and social responsible investors in our effort for greater transparency and disclosure.

The USW and its institutional investment partners are concerned that inadequate disclosure about ExxonMobil’s state lobbying and payments toward trade association and organization lobbying negatively impacts the corporation’s reputation. That is why a vote “Yes” on Item 7 is necessary.

(continued on page 3.)

*(**“Sunshine” Proposal** continued from page 2)*

You can access the USW proposal at the U.S. Securities and Exchange commission (EDGAR) site for ExxonMobil at this web address:

https://www.sec.gov/Archives/edgar/data/34088/000121465918003910/0001214659-18-003910-index.htm

The USW proposal is now part of the company’s permanent filing record.

USW Oil Workers Press Washington for Changes to Renewable Fuel Standard

USW oil workers are good at stirring up action to demand resolution to issues affecting their jobs. Their fly-ins to Washington, D.C., and a Capitol Hill rally are helping to push the Trump administration, elected officials, the small refiner coalition, and the corn ethanol lobby to make changes to the Renewable Fuel Standard so that both farmers and oil refinery workers can keep their jobs.

The problem has always been not the use of ethanol, but the method used to prove compliance with the Renewable Fuel Standard (RFS). Many small refiners do not have the capability at their sites to blend ethanol into gasoline, so they send their gasoline to blenders. To prove compliance, they must purchase Renewable Identification Numbers (RINs) on the market. A RIN is assigned to each gallon of ethanol produced by an ethanol producer.

The RFS mandates that the proof of compliance—also known as the point of obligation—falls on refiners—not blenders.

The Environmental Protection Agency (EPA) created the RIN system, which is an unregulated financial market. At first, it worked because the RINs were cheap. But then, Wall Street, big oil companies with blending facilities and financial hustlers discovered they could earn huge profits buying up RINs, hoarding them and selling them on this unregulated market.

Soon, small merchant refiners like PBF, HollyFrontier, and Monroe Energy were paying millions of dollars a year for RINs to the point that it was affecting their ability to do needed maintenance and upgrades, pay their employees and stay in business.

RINs are not a problem for the major oil companies like ExxonMobil, Shell, Chevron, BP and Phillips 66 because they have blending facilities to blend the ethanol into the gasoline they produce.

“When you look at the graphs for ethanol use and RIN cost, ethanol is practically a straight line, while the RIN cost line goes up,” said Kim Nibarger, head of the USW’s National Oil Bargaining Program. “The top-level negotiations are now causing the RIN cost to fall. I thank our oil workers for getting in front of their elected officials and educating them on what the real problem is with the RFS. The ethanol lobby stubbornly refuses to acknowledge it’s not the use of ethanol that we’re concerned about, it’s the RIN cost.”

(continued on page 4.)

DeVon Crawford, USW Local 10-234 president at Monroe Energy in Trainer, Pa., leads a Washington, D.C., oil refinery worker rally to urge lawmakers to make changes in the proof of compliance for the Renewable Fuel Standard.

Educate Washington

Robert Cammarn, Local 241 president at the HollyFrontier refinery in El Dorado, Kan., has traveled three times to Washington, D.C., to lobby his Kansas congressional delegation and testify to the EPA on the RINs issue.

"Mostly, they are concerned about being from a farm state and how to balance ethanol with refinery issues," Cammarn said. "I don't believe any of them had a true understanding of what our issue was. They hadn't formed an opinion other than what the ethanol folks were talking about.

"I mostly gave them an understanding that it doesn't matter how much ethanol they mandate. The point is that the point of obligation shouldn't fall on the merchant refiners; it should be on blenders and retailers. We aren't trying to reduce the amount of ethanol required," he said.

Cammarn said he explained how small, independent refiners like HollyFrontier do not have the capacity for blending and how his whole community depends upon the refinery for its economic stability. He also emphasized that the workers share in the environmental obligation with EPA and its mandate.

He said he received surprised reactions from the congressional aides he spoke to. "They were more educated after I walked out of their office."

Oil workers rally at the U.S. Capitol to press for changes in how oil refiners show they are in compliance with the Renewable Fuel Standard.

Impact on Communities

Glen Nunez, who works at the PBF Chalmette, La., refinery and is vice president of Local 13-522, has traveled to Washington, D.C. to lobby on the RINs issue these past two years. He met in person with Sen. Bill Cassidy (R-La.) and said the senator understood how many small refiners would be affected by RINs costs.

"The politicians seem a lot more educated this year than the year before on the effect RINs have on small refiners," Nunez.

"Small refineries can't keep up with RIN costs. They can't make money and pay RINs costs. In New Orleans, we have two small refineries and they can't continue to pay," he said.

Studies have shown that one refinery job affects 17 other jobs, so if a refinery is shut down, thousands are impacted.

"Our two plants employ about 1,000 people, so if they shut down it would totally destroy local communities in this region," he said.

Possible Solutions

At the beginning of May, the Trump administration said it would scale back the use of biofuel waivers for small refineries and allow ethanol exports to count toward federal biofuels usage quotas. This would expand the market for RINs, increase the RINs supply and lower the RINs costs. The administration would also permit 15 percent ethanol fuel to be sold year round. These actions would be part of a broad overhaul of the country's renewable fuel policy.

Media reported on May 23, 2018 that top officials for the EPA and the departments of Energy and Agriculture will meet May 24 to discuss changes to the RFS and to try to resolve long-standing tensions over the program between the oil refining and corn ethanol industries.

Nunez said he would like to see a cap on the RIN price. "I don't want to lose this job. I've been here for 15 years. I would like someone to step in and put a cap in place. It is ridiculous to sell RINs on an open market as a commodity."

Cammarn also is waiting to see if there will be a cap on RINs costs and if E85 is actually sold year round. "If they don't change the point of obligation or put a cap on RINs, then the problem will not go away, and the ethanol lobby gets the ability to sell ethanol year round. Workers in my industry would still be negatively impacted.

"This is small oil against the point of obligation for the RFS. It isn't big oil against the corn industry," he added.

Hold the Date

Process Safety Management Training
August 6-10, 2018
Local 13-243 Hall in Port Arthur, Texas