It was a pleasure seeing many of you at Convention, and it was a busy time. Thanks to those who attended the first oil sector meeting as well as the council meetings. I know these were long days filled with union business, and I appreciate the extra time you gave to attend these additional meetings outside of the plenary sessions.

I recently attended the Industri Energi convention along with Ben Davis who directs our international affairs department. This union, which represents a large number of Norwegian oil workers, had a change in leadership. Leif Sande, who some of you may remember from our NOBP meetings, is going to run as a Labor Party candidate in the Norwegian parliament.

We wish Leif success in his endeavor, and welcome the new president, Frode Alfheim. We look forward to working with Frode on oil sector interests of mutual benefit and offer our assistance to him and his staff.

Lobbying Congress

With coordination by Roy Houseman in our legislative department, some of our members met with Congress about a needed change in the Renewable Fuel Standard (RFS). Several of the merchant (independent) refiners we represent sent members to Washington, DC to address the concern we share with the point of obligation for a RIN (renewable identification number).

This issue stems from obligations in the RFS that require blending of biofuels into gas and diesel. Originally, the RIN was a tracking device, but it was manipulated eventually into a commodity, fetching, at times, over a dollar per gallon. (Each gallon of renewable, blended biofuel requires a RIN.)

This resulted in additional costs of hundreds of millions of dollars to some of our merchant refiners. We are working to move this requirement to a point where there will no longer be a financial incentive for a RIN.

Meetings, Conference Call

I will be attending local union meetings over the next few months to help get a sense of our members’ topics of interest with the upcoming oil bargaining. We continue working through the councils on local issues in a unified manner to give us improved bargaining leverage.

We also are scheduling our next conference call with our National Oil Bargaining Program (NOBP) policy board members. You can contact your policy member or me any time you have questions about oil policy.

Kim Nibarger
NOBP Chair
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Local 7-1 Sets Up GoFundMe Account to Help Injured BP Whiting Refinery Workers

Local 7-1 set up a GoFundMe account to help two severely injured workers in an April 28 incident at the BP Whiting, Ind., refinery’s power distribution center.

“Since the incident we’ve received an outpouring of support and inquiries about donations for the workers and their families,” said Local 7-1 President Dave Danko.

He asked people to direct all support and donations to: https://www.gofundme.com/workers-helping-workers.

The incident hurt four workers severely enough that they were taken to local hospitals. Two were treated and released, and two were still hospitalized as of May 10.

The USW and the company are investigating the root causes of the incident, and the International sent a member of its Emergency Response Team to assist the injured workers and their families.

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Ryan Anderson, NOBP Region D (USW District 12) Representative

Ryan Anderson hired on at the Tesoro Anacortes, Wash., refinery in April 2011 as an instrumentation and electrical technician in the maintenance department. From day one, he has been involved with his union, taking on greater responsibilities over time.

He was actively engaged in the 2012 National Oil Bargaining Program (NOBP) negotiations with the union’s Tesoro council, which successfully employed the USW’s Building Power mobilization program to leverage a better settlement from Tesoro. He also was president of the Tesoro council for two years.

Tapped as a potential leader, Anderson completed the third year of the USW Leadership Scholarship Program. He has developed public speaking and other skills from the curriculum.

In 2015, he became the Tesoro unit chair for Local 12-591, and played a major role in the NOBP unfair labor practice (ULP) strike. He talked to members and kept them informed, answered media questions, maintained communication with the International, held ULP strike update meetings, walked the picket line and helped bargain the unit’s contract.

“I hope to represent the oil bargaining units as best as I can,” Anderson said of his election to the policy committee. “I recognize that in this position I have to represent what is beneficial for the majority, not just single units or regions.”

He said he hopes to get primary contact information for District 12 oil units and reach out to them for input.

“I want to work with the membership and share with them what the oil policy committee is doing,” Anderson said. “I plan to be transparent about the process. Members can contact me with their questions and concerns, and be assured that I will bring their issues to the attention of NOBP Chair Kim Nibarger, USW Vice President Tom Conway and the policy committee.”

Casey Wardell, NOBP Region D (USW District 12) Alternate

As the Region D alternate, Local 12-578 President Casey Wardell will be helping the Oil Policy committee wherever he can to build solidarity, get a fair contract, increase job safety and security, and strengthen the current language in the national and local agreements.

“I would really like to have face-to-face, local-to-local communication to share our issues early, to get everyone together on why the National Oil Bargaining Program (NOBP) is so important to our local contracts,” Wardell said. “Our solidarity and mobilization activities directly influence negotiations.”

He also wants to continue the regional conference calls, text alerts and messages through social media.

A 12-year member, Wardell is a lead operator at the HollyFrontier refinery in Woods Cross, Utah.

“Some brothers and sisters who I have great respect for encouraged me to run,” he said of his election to the committee.

Clay Bonin, NOBP Region E (USW District 13) Representative

When Region E Oil Policy committee member Larry Burchfield moved to a USW staff position, alternate Clay Bonin, Local 13-228 president, replaced him.

A union member for 24 years, Bonin also chairs the workers committee. He is an outside operator in the utilities department at the Huntsman Petrochemical plant in Port Neches, Texas.

Like others on the Oil Policy committee, Bonin received encouragement from members to run for a position.

“Our regional committee members on the Oil Policy committee had discussed stepping down from their positions and a lot of people approached me and asked me to run. I feel like everybody has their trust in me,” Bonin said. “I believe in the union and the National Oil Bargaining Program (NOBP).”

He wants to ensure there is good communication within his region by having group conference calls, text messages and town hall meetings. He would like to travel throughout the region and speak at different locals.

“I hope to make oil bargaining better through my help,” he said. “My main goal is to keep the NOBP for my kids and the future.”
An arbitrator determined that BP Exploration (Alaska) Inc., violated the collective bargaining agreement by outsourcing its water and waste water treatment operations, and ordered the affected Local 4959 workers to be made whole.

When the price of crude oil started dropping in 2014, BP began laying off more than 900 workers and took other cost-cutting measures to save money in its two oil extraction and production operations in the Prudhoe Bay area on the North Slope.

The company analyzed its operations and determined that the water and wastewater treatment facility was not a part of its core business. It decided to outsource the facility’s work, which would eliminate six Local 4959 bargaining unit positions.

The local bargained the effects of the lost jobs, and one bargaining unit employee decided to accept the enhanced severance benefits and leave the company’s employment. The other five workers decided to remain employed, and BP transferred them to lower-paying production or maintenance technician roles.

Besides enduring a pay cut, the company forced the five workers to accept substantially shorter qualification periods than was stated in the collective bargaining agreement (CBA). BP also forced them to waive their contractual rights to challenge, through grievance and arbitration, any company claim they failed to properly meet their qualifications.

The outsourcing, severance and reassignment occurred on or about June 13, 2016. Three days later, Local 4959 grieved the outsourcing. Unable to resolve the issue, the local and the company proceeded to arbitration Feb. 23-24, 2017 for a final and binding determination.

**Arbitration Award:**

The arbitrator determined that the CSTF technicians would not be reinstated so as not to disrupt the contract between BP and the contractor, Nan Management, LLC. However, he wrote that the company’s contract violation harmed the bargaining unit workers and they should be made whole to the extent possible.

(Editor’s note: If you would like to read the longer version of this story—it contains the arguments from the union and the company, as well as the arbitrator’s opinion and order to BP to undertake certain actions—please contact NOBP chair Kim Nibarger’s assistant, Julie Lidstone, at jlidstone@usw.org.)
Twenty-six oil workers flew into Washington, D.C. May 4 to tell Congress that the Environmental Protection Agency (EPA) must adjust the Renewable Fuels Standard (RFS) point of obligation to save thousands of refinery jobs and prevent prices at the pump from skyrocketing.

The USW supports the blending of renewable fuels, like ethanol, into gasoline or diesel. The RFS originated in the Energy Policy Act of 2005 that President George W. Bush signed into law to reduce greenhouse gases and boost rural farm economies.

The EPA holds refiners and importers responsible for ensuring the correct amount of renewable fuel is blended into the U.S. fuel supply.

Merchant refiners (independent refiners) like PBF Energy, Philadelphia Energy Solutions, Monroe Energy and HollyFrontier either lack enough blending capacity or do not have it at all, so they send their transportation fuel to blenders that mix in the renewable fuels, like ethanol. These and other merchant refineries produce about half of the country’s gasoline and diesel.

Integrated oil companies—such as ExxonMobil, Shell, BP and Chevron—have blending operations, and can easily adhere to the point of obligation.

A Renewable Identification Number (RIN) is assigned to each gallon of renewable fuel. When the blender mixes in a gallon of renewable fuel like ethanol with transportation fuel, the RIN is detached from the ethanol and becomes a tradable item.

Merchant refiners must prove compliance with the RFS by purchasing RINs from third parties—such as integrated oil companies, large blenders and gasoline marketing companies—and handing them in to the EPA.

Unregulated Market

When the EPA created the RIN system in 2007 for measuring compliance with the RFS, the RINs sold for a few cents. But, over time, the RIN credit trading market evolved into a highly unregulated market, besieged with fraud, manipulation and no overseer. RIN costs reached more than $1.50 per gallon in 2013 and fluctuate wildly.

Speculators and large investment banks compete with merchant refiners to buy RINs from the blenders. They hoard them and drive the price up when it is time for refiners to deliver the RINs to the EPA. Integrated oil companies sell their excess RINs and earn millions of dollars at the expense of the merchant refiners.

Anyone can buy RINs, and there have been cases of people selling fake RINs. If refiners unknowingly buy fraudulent RINs the EPA requires them to buy replacement RINs and pay fines.

The USW analyzed the ability of merchant refiners to pass on the RIN cost at the pump and found it was limited and varied significantly.

In 2016, merchant refiners spent $1.8 billion on RIN credits. This was money they did not have to upgrade and maintain their facilities to keep them safe for workers and the community.

Jobs at Risk

The market uncertainty and price surges are negatively impacting merchant refiners’ ability to compete and stay in business.

Excessive RIN payments forced Philadelphia Energy Solutions to lay off nonunion employees and cut benefits.

Eventually, merchant refiners will shut down if the point of obligation for adhering to the RFS is not changed. This would devastate communities around the country. For every refinery job lost, 10 to 18 jobs are gone in the community.

If these refiners go out of business, consumers will see much higher prices at the pump.

The EPA can move the point of obligation to the blenders, and reduce the number of entities it regulates under RFS. This would create a level playing field among integrated and merchant refiners, and not affect the amount of ethanol in the fuel supply.

Thousands of jobs would be saved, and merchant refiners could invest in job-creating projects they cannot do now because of RIN costs.

Take Action

Contact your U.S. representative and senators, the Trump administration and the EPA and urge them to move the RFS point of obligation to the point of blending.

Help Injured Workers

(continued from page 1)

BP did not elaborate on the incident or how it happened, but a company spokesman said there was no explosion or impact to the environment and local community. The local mayor said the refinery responded to the incident with its in-house fire department.

Workers Helping Workers

The local’s “Workers Helping Workers” campaign on the crowdfunding site GoFundMe seeks donations to help with the injured workers’ medical bills that their health insurance does not cover and their lost wages during recovery.

“As they continue their treatment and road to recovery, these two individuals and their families will need everyone’s assistance during this difficult time,” the GoFundMe page said.