



Testimony

April 19, 2013
U.S. Chemical Safety Board

On the Matter of the *Interim Investigation Report:
Chevron Richmond Refinery Fire* of August 6, 2012

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Dr. Chairman, members of the Board, thank you for the opportunity to provide brief remarks today regarding the Interim Investigation Report on the Chevron Richmond Refinery Fire.

My name is Dr. Michael Wilson. I'm the Director of the Labor Occupational Health Program at UC Berkeley. I am also the Associate Director for Integrative Sciences at the Berkeley Center for Green Chemistry.

The California Legislature established COEH 30 years ago to serve as a bridge between the University and the State of California in helping to solve major problems related to public, worker, and environmental health and safety.

I speak to you today as an individual and as a UC Berkeley public health scientist. My remarks do not necessarily reflect the views of the University of California or any of its agents.

Thank you for convening the hearing today and for producing for the Interim Investigation Report on the Chevron Richmond Refinery Fire.

In studying your report and in hearing from labor, community and emergency services stakeholders over the last several months, I would like to convey one overarching point in my comments this evening. That is that we have before us convincing evidence that California, and the nation, is in imminent need of a modern, comprehensive regulatory framework for our refinery industry.

You have presented evidence here that that framework would be most effective if it motivated investment by the industry in doing three things, in order: (1) characterizing and reporting on

the nature of sulfidation corrosion damage throughout the industry, (2) rebuilding our refineries using inherently safer, more energy efficient technologies, and (3) integrating continuous improvements in plant safety and environmental performance into the core business operations of the refineries.

The CSB report has provided the factual basis for California to develop such a regulatory framework. You have done this by demonstrating convincingly that (1) we have a *corrosion* problem in this industry, and (2) that that problem presents an imminent threat to public safety because management, at least at Chevron, has largely chosen to ignore it, despite 10 years of urgent and repeated warnings from Chevron's own technical personnel. Meanwhile, major sulfidation failure incidents have continued to occur regularly at Chevron facilities in California, Utah, Texas and Mississippi.

So you have pointed out that we have a physical engineering problem in the industry, but of even greater concern, I would argue, is that you have shined a light on a deeper cultural problem in the industry's management. The leadership seems to have lost sight of its stewardship responsibilities.

On that more profound issue, I would suggest to you that Chevron's management, and most likely that of other oil refineries, is responding as a rational economic actor to the legal framework in which it operates. That framework at present requires very little, if any, genuine transparency or accountability to the public, nor does it require the kinds of investments that are needed to apply inherently safer technologies.

In a different regulatory framework, one that requires a much greater degree of public transparency and accountability and application of inherent safety, my expectation is that Chevron's management would respond in a timely way and with a great deal of competence to safety problems, particularly when warnings are issued by their own personnel, for example.

Your report touched on the importance of transparency, accountability, and meaningful worker and community engagement as key elements of a comprehensive regulatory framework.

These elements need to develop in concert with each other. We know that transparency alone is not enough, and that safety performance, particularly with regard to investments in inherently safety technologies, needs to be required, not simply encouraged. But transparency is a good place to start. It raises the stakes for poor management, it makes regulatory oversight much more efficient, as we saw with Cal/OSHA's difficulties in getting information, and it sets

the bar for industry, in that it puts pressure on the laggards and allows the best performing companies to make their successes public.

These actions, in concert with other regulatory steps, have the potential to transform industries, which is not new to California. For example, as a consequence of government regulations, incentives and other actions taken since the 1970s, California has made remarkable progress in reducing electricity consumption and, as a consequence, its total carbon footprint. California's annual *per capita* electricity consumption is now about 50% compared to the rest of the U.S. Had California followed the trajectory of the rest of the U.S., today we would have required the construction of 25 new coal-fired power plants in the Midwest, according to the California Energy Commission.

I'll close by saying that ensuring transparency, accountability and industrial safety in dangerous industries is a basic and necessary function of government, and that doing so requires government to assert its regulatory authority. We have seen in multiple settings that doing so simultaneously improves the efficiency and competitiveness of our industries.

Thank you again for your work, and I would be happy to take any questions you might have.