

March 17, 2021

Minnesota House of Representatives
Judiciary Finance and Civil Law Committee
HF 984
Flint Hills Resources Testimony

Chairwoman Becker-Finn and Members of the Committee:

Thank you for the opportunity to provide this testimony in response to House File 984.

Flint Hills Resources is a refining, biofuels, petrochemical and pipelines company with operations primarily in the Midwest and Texas.

We own and operate the Pine Bend refinery in Rosemount, which is responsible for supplying most of the transportation fuels Minnesotans rely on and a significant portion of the fuels used in the surrounding states. We also produce other essential products such as asphalt for roads and roofing, fertilizer, home heating fuels and the raw materials that are used to make the many different types of plastics that are in products people use every day.

Our facility is one of the most active work sites in Minnesota. In addition to our fulltime workforce of approximately 1,000 employees, we hire hundreds, sometimes thousands of highly skilled contractors to support our operations, including project work and maintenance events. In fact, in the last 10 years, we've invested in projects equivalent to building two Minnesota Vikings stadiums and we've had years where we average more than 1,000 contractors on site every day. We also have short-term maintenance events that can exceed 3,500 contractors daily.

The vast majority of the contractors we hire come to us courtesy of the Minnesota Building Trades. It's a partnership we value very much. We have long worked collaboratively with the leadership of the Minnesota Building Trades to promote the trades and to deepen the pool of skilled labor available in Minnesota to help support our operations.

The Building Trades have also been a great partner of ours with respect to worker safety, which is always our top priority. Since 1997, we've reduced injuries at our site by more than 70 percent and we are both a certified MNSTAR and PRO-10 site. In fact, we were the first work site in the nation to achieve PRO-10 status, which is a professional development and safety program that we helped develop and specifically tailor to the construction and building trades.

Our site also has numerous other training requirements and expectations for our employees and contractors based on specific jobs, which include a vast array of different roles. These roles include traditional refinery trades such as plumbers, pipefitters, carpenters, and electricians. However, today's job site is very different than in the past. There are an increasing number of contracted technology roles at the refinery that are not necessarily represented by the trades, including software engineers, computer and internet technicians and high-tech data specialists.

Flint Hills Resources has several concerns with H.F. 984 in its current form, which requires certified apprentice-level training for most roles within the refinery. Currently, most of the traditional refinery trades hired through our contractors would be consistent with the legislation. However, we have significant concerns with the restrictiveness and punitive nature of the policy, which could limit our ability to access needed labor in a timely manner and add considerable compliance costs to our business.

Our large maintenance events can require more than 3,500 contractors for a period of days or weeks. This far exceeds the amount of qualified local labor that would be available on a short-term basis. Workers from other states that augment the local labor force during these large maintenance events are often experienced refinery workers who travel state to state to perform their specialty craft. Some but not all these workers have the type of apprentice-level training that would be deemed satisfactory under this legislation. It is already a significant challenge to find qualified labor to support these large events. This legislation would make it even more difficult. It would also impose considerable compliance costs, including the prospect of litigation and fines.

The scope of H.F. 984 is also extremely broad, including roles that fall outside of the traditional trades such as specialty crafts, work on equipment that is required by the original manufacturer and various support roles, including security, environmental and safety inspections and the aforementioned technology work. The requirement would also seemingly apply to contract labor who may have extensive expertise in certain aspects of refinery maintenance, such as replacing catalyst or conducting other engineering-level maintenance work, but do not have nor do they need apprentice-level certification to perform their work safely.

We also strongly object to this legislation's singling out of oil refineries. As a point of fact, according to U.S. Building Codes, refineries are considered no more hazardous than other Occupancy H businesses that deal with hazardous substances, including chemical plants, ethanol plants, and numerous other facilities. There is no justification to apply such legislation solely to the state's two oil refineries. It is our understanding, that no other state has such a policy or one that is so onerous and restrictive in nature.

Flint Hills Resources is also seeking to understand what problem this legislation seeks to solve or why this policy is fundamentally necessary. Flint Hills Resources has long been committed to working with labor in the best interest of the safety of our operations and we would welcome the opportunity to address whatever concerns this legislation hopes to solve.

Thank you.

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Flint Hills Resources

