



Marathon Petroleum Company LP

301 St Paul Park Road
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March 27, 2023

Dear Chair Olson and Members of the House Ways and Means Committee,

Marathon Petroleum Corporation (MPC) is a leading, integrated, downstream energy company headquartered in Findlay, Ohio. The company operates the nation's largest refining system. MPC's marketing system includes branded locations across the United States, including Marathon brand retail outlets. MPC also owns the general partner and majority limited partner interest in MPLX LP, a midstream company that owns and operates gathering, processing, and fractionation assets, as well as crude oil and light product transportation and logistics infrastructure.

Our St. Paul Park Refinery (SPPR) is located along the Mississippi River and part of the Twin Cities community. Originally built in 1939, it has a crude oil refining capacity of 105,000 barrels per calendar day (bpcd). The refinery manufactures gasoline, distillates, asphalt, heavy fuel oil, propane and refinery-grade propylene, which is produced using sweet crude from the Bakken region in North Dakota as well as various grades of Canadian sweet and heavy sour crude. Products are delivered from the refinery by pipeline, truck, rail, and barge.

We are proud to share that SPPR earned the Minnesota Safety Council Governor's Safety Award in Occupational Safety—Award of Honor in 2021. In 2022, the refinery was awarded the Distinguished Safety Award from the American Fuel and Petrochemical Manufacturers (AFPM). This is AFPM's highest honor for achieving a sustained, exemplary level of safety performance and SPPR is one of only four refineries nationwide to receive this award.

Thank you for the opportunity to comment on House File 10. SPPR is one of the two refineries affected by the bill in this state. MPC opposes this legislation due to our concerns about its unintended consequences, reduced flexibility to meet operational needs, the potential for reducing jobs for Minnesota residents, and the negative safety implications for our operations. These issues are outlined below, and MPC is asking for careful consideration.

MPC awards our contracts based on a comprehensive evaluation process, selecting companies that have exemplary safety records; demonstrate a strong health and safety culture for their employees and concern for our communities; practice sound environmental stewardship; and create value through innovative technology and craft specialization. Contractors must also meet all federal and state regulations and are trained for their specific roles. To support this disciplined selection process, our contractors' health and safety programs and related scores (total recordable incident rate, OSHA logs, etc.) are vetted by an independent auditor prior to awarding business. Our rigorous selection process has resulted in qualified apprenticeship trained and non-apprenticeship trained contractors safely and successfully performing work at the refinery.

MPC views the use of contractors, both apprenticeship trained and non-apprenticeship trained, at our facility as a true partnership, underscored by a strong commitment to safety from each party Marathon truly values. Trading skilled and experienced workers for those with less training simply because they attended an apprenticeship program is an inherent safety risk.



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As of March 10, 2023, the U.S. Bureau of Labor Statistics reported an unemployment rate of 3.6%, which is one of the lowest levels of the past 20+ years. This rate is indicative of the fact that the U.S. is reaching full employment and few are being left out. It has and continues to be difficult to staff maintenance and major projects in the state of Minnesota. This bill not only limits the ability to hire the safest and specifically-trained contract companies, it also jeopardizes availability of Minnesota workers to meet the demands of in-state refineries.

The bill could lead to contractor shortages, eroding refineries' operational excellence by negatively impacting current and future facility workforces. Specifically, the bill sets a precedent of the legislature mandating who private businesses can hire, and reduces refineries' abilities to choose the safest, most technically-advanced contractors to meet operational needs. As such, this legislation would negatively impact SPPR's current contract employees who would not meet this requirement, and their families that call Minnesota home, as well MPC's ability to ensure the best future workforce possible to meet our commitment to safety.

SPPR averages just under 150 contractors per day during normal time periods. During labor-intensive maintenance periods, such as turnarounds, that number has peaked at over 1,300 workers on site, depending on turnaround scope. It is challenging to fill more specialized positions currently, and by shrinking the available labor pool through the limitations put forth in this bill, planned mechanical maintenance that is critical and integrity-driven may be delayed due to lack of available workforce. Further, unplanned (emergency) maintenance could be jeopardized by a limited number of contract workers. This could decrease safety at refineries and could require many apprenticeship trained workers to be brought in from out of state to both meet the requirement and uphold safety levels that currently exist. This forced transition creates inherent safety risks.

Additionally, there are identified highly skilled crafts that do not have apprenticeship-level training available, nor does apprenticeship-level training include industrial-specific training. In certain situations, the wide scope of this bill would require that refineries hire contractors with less specialized apprenticeship training over contractors that employ skilled craftsmen with decades of experience in a particular trade. This trade-off could result in the loss of hundreds of current jobs held by Minnesotans in and around our community. Trading skilled and experienced workers for those with potentially less training simply because they attended an apprenticeship program is an inherent consequential safety risk.

Thank you for your consideration of these points. Although MPC strongly opposes the passage of this bill in its current form, we look forward to continuing conversations and efforts to make this bill workable for Minnesota refineries, employees, and citizens.