

Marathon Petroleum Company LP

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April 7, 2021

Dear Chair Eklund and Members of the House Labor, Industry, Veterans and Military Affairs Finance and Policy Committee:

Marathon Petroleum Corporation, through its subsidiaries, owns and operates the 104,000 barrel-percalendar-day refinery located in St. Paul Park, Minnesota. We appreciate the opportunity to comment on HF 1670 as amended to be the House Labor, Industry, and Bureau of Mediation Services Omnibus bill, specific to Article 2, Section 12 that would require outside contractors working at oil refineries in Minnesota to have apprenticeship-level training. Marathon Petroleum opposes this provision of the omnibus bill, as it mandates who private businesses can hire to work within their facilities and reduces the refineries' abilities to choose the safest, most technicallyadvanced contractor to meet the needs of the facilities, regardless of apprenticeship status.

The St. Paul Park refinery has 400 employees and at times employs hundreds of contractors, many of whom live and work in the community. The safety of our employees, contractors, business partners, customers and the community is, and always will be, our number one priority. It is of the utmost importance to Marathon that each of these individuals goes home safely to their families after every shift.

Marathon Petroleum's culture of safety has been recognized by both government and industry organizations for its outstanding safety record and management systems dedicated to continuous improvement. In 2019 and 2020, the St. Paul Park refinery received awards and recognition by these organizations as follows:

- American Fuels and Petrochemical Manufacturers (AFPM) Safety Achievement Award, 2019
- Gold certification by the Cambridge Center for Behavior Studies in 2020 for our behaviorbased safety program, AWARE, 2020
- Minnesota OSHA Volunteer Protection Program (VPP) Site Assessment, 2020
- Minnesota Safety Council Governor's Safety Award for Outstanding Achievement in Occupational Safety, 2020

This award-winning record of and commitment to safety extends to the process by which Marathon Petroleum selects companies to provide contracted services. We award 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 (including total recordable incident rate and OSHA logs) are vetted by



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an independent auditor prior to awarding business. Our rigorous selection process has resulted in qualified union-represented and non-represented contractors safely and successfully performing work at the refinery.

In previous committee hearings, we have expressed concerns with HF 984, the preceding bill to this section, which have not been resolved. Among those concerns is the availability of workers to meet the demands of in-state refineries. During periods of normal operations, the St. Paul Park refinery averages approximately 150 contractors per day. During labor-intensive maintenance periods, such as turnarounds, that number has peaked at more than 1,000 workers per day on site, depending on the size and scope of the turnaround. It can be challenging to fill more specialized positions currently, and by shrinking the available labor pool through the limitations put forth in this amendment, planned critical, mechanical integrity-driven maintenance may be delayed due to lack of available workforce, and emergency maintenance may not be immediately available by a limited number of contract workers. This will not increase safety at refineries.

Additionally, there are certain highly skilled crafts that do not have apprenticeship-level training available. 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, but that do not meet the bill's apprenticeship requirements because no apprentice program exists for their craft. This trade-off could result in the loss of hundreds of current jobs held by Minnesotans in and around our community. Additionally, trading skilled and experienced workers for those with potentially less training simply because they attended an apprenticeship program creates an inherent safety risk.

Finally, the effective date of October 2021 would have an immediate and direct negative impact on current jobs in Minnesota.

We at Marathon Petroleum view the use of contractors at our facility as a true partnership, underscored by a strong commitment to safety from each party. We fully understand and appreciate the significant responsibility we have as an employer, a community member, and a provider of essential products that help ensure Minnesotans have the goods and services they need. We are committed to continuing to work with proponents of this bill to find ways to support partnership opportunities that uphold the highest safety standards for our employees and contractors.

Thank you for the opportunity to share our concerns, and we respectfully request that the committee remove Article 2, Section 12 from the bill.