



Steve Schwartz, Director of Maintenance and Construction  
Cenovus Energy, Lima Refinery  
Testimony before the House Homeland Security Committee, June 21, 2023

Mr. Chairman, Ranking Member Thomas and members of the Committee, thank you for allowing me to testify on behalf of Cenovus Energy.

My name is Steve Schwartz and I have worked at the Lima refinery for over 42 years. For the past four years, I have served as the Director of Maintenance and Construction. I am accountable for large-scale maintenance and construction projects, including turnarounds and capital projects like our 2019 crude oil flexibility project.

I started in the refinery as an operator and held that position for eight years, working closely with union contractor workers, including many from our local trade union halls in Lima. After serving as an operator, I spent 30 years in operation leadership, serving as a front-line supervisor, a superintendent, complex manager, and an operations director. I am deeply familiar with what it takes to keep workers safe in our refinery, and HB 205 is not a policy that would lead to a safer work environment. This legislation is a hiring mandate that limits which contractors we can work with. For that reason, I strongly oppose this bill.

I know that workers can be trained in the same classroom and using the same curriculum, but not all workers perform to the same level – particularly the level that we expect in a refinery.

For instance, during the last three large-scale projects dating back to 2016 at the Lima Refinery, we saw varying degrees of craftsmanship from union and non-union contract workers. During the 2016 turnaround, when 70 percent of the work was done by union contractors, 4 percent of welds were rejected. During the 2019 crude oil flexibility project, which was completed by 95 percent union labor, the weld rejection rate varied by unit from 10 to 30 percent. Weld failure rates are one of the most important criteria that refiners consider when making contracting decisions, and failure rates of 10 percent – let alone of up to 30 percent – are simply not acceptable as a metric of work quality.

For comparison, during our 2021 turnaround, the weld rejection rate was 0.75 percent. Further, the 2021 turnaround was completed with no lost time injuries and in 44 days – 45 days is top quartile. That project was completed almost entirely by non-union workers.

In Lima, we clearly experienced quality of work issues during the 2016 and 2019 projects. In 2021, we contracted with a firm that met the criteria and performance indicators we needed and was a turnaround specialist – which is becoming more of the norm in this industry. It is important that members of this Committee understand that it was that decision – to contract with a firm that used non-union labor – that was the impetus for this bill. HB 205 is being touted as a safety bill, when in reality it is an effort to ensure that future hiring decisions are made based on firms using union-affiliated labor.

One of the assertions repeatedly made by proponents of HB 205 is that it is not a union-labor mandate. Members of the Committee, I want to take a few moments to explain why HB 205 is, in effect, exactly that – a union-labor mandate – and why this approach will hinder rather than help us meet the workplace needs at our refineries.

HB 205 requires a specific approach toward training crafts which mirrors the Building Trades apprenticeship programs. These programs do well with training members for a wide variety of work across various commercial and industrial jobs. Some aspects of those apprenticeship programs are relevant to refinery work, but those programs in and of themselves for some trades do not always provide the level of expertise and specialty skills required for refinery work.

There are other approaches to train and ensure competency of crafts to work in the refinery which are not modeled after a union apprenticeship program. Some contractors we use do this through other training, testing, and mentorship approaches that are targeted at the critical, specialized work required at a refinery.

As an example, the training program for our USW-represented Cenovus crafts is not the same as the apprenticeship programs that would be required by HB 205. We have developed and upgraded our training programs, and we find them to be well-suited to prepare crafts for performing specialized refinery work. These other approaches are better suited at providing very well-trained, safe workers to provide the skill sets we need for the specialized work that happens at our refineries.

We have direct experience with contract companies who use approaches other than the apprenticeship programs imposed by HB 205. Their employees are better trained to perform the work, and these companies have stronger safety, quality, and overall performance programs and cultures.

As the Director of Maintenance and Construction, my goal is to find companies that specialize in the work we are doing in the refinery, from large turnarounds to more unique fireproofing jobs, and the companies we contract with must have robust safety and on-time performance records. HB 205 is not about safety – and in fact, may undermine safety – because it will limit my ability to find contractors that meet these criteria.

Proponents of HB 205 state that we must require a certain number of training hours to work in the refinery. My experience is that injuries and fatalities have not been caused by a lack of training. In fact, in his testimony last week, Mr. Szollosi referenced a fire that occurred during the 2021 turnaround and indicated that it was a lack of training from non-union workers that caused the fire. I don't know how else to say this: Mr. Szollosi does not know the facts. That fire was an accident that had nothing to do with the turnaround and maintenance. It was not caused by a lack of contract worker training. He and others who either don't understand what actually happened or simply don't care about the truth need to stop making these kinds of inflammatory, inaccurate statements.

I have lived in the Lima area my entire life, and have spent my career in the Lima Refinery. I want to see our local workers be the safest and most efficient hiring choice, and I am currently working with the local union halls to help them provide more specialized training and the ability to execute work in our refinery safely and efficiently. However, even if we provide that training, workers will still need the

leadership from the firms they are working for to ensure that safety and professionalism are priorities. And HB 205 will limit my ability to find the firms and leaders who can deliver that every time we contract with them.

Regarding out-of-state workers, during my FOUR DECADES of work in the Lima Refinery, I have been involved with numerous turnaround and capital projects, and as previously mentioned, I have worked with many union and merit shops. I have never seen a large-scale project in Lima that was staffed with all local workers. Whether we contracted with union or non-union firms, more than half the workers came from the Gulf Coast. In fact, I have even worked with union workers from Trinidad on multiple turnarounds. To be clear, union firms were bringing in foreign workers from the Caribbean to work in the Lima Refinery.

Regarding foreign workers, some members of this Committee have questioned whether Cenovus hires illegal workers. And some proponents of this legislation have tried to foster the belief that Cenovus hires so-called “illegal immigrants.” While some of our contractors may bring in foreign workers who are legally authorized to work in the United States, we DO NOT HIRE ILLEGAL WORKERS.

Cenovus is subject to and complies with several layers of mandatory verification under the Department of Homeland Security’s Chemical Facility Anti-Terrorism Standards (CFATS) program. Under these rigorous regulations, workers are subject to a mandatory criminal record check, mandatory identity and legal status verification, and are checked for possible terrorist connections.

In addition to CFATS regulations, Cenovus also requires all of our contractors and subcontractors to use a specific background screening program for their personnel. This background check includes compliance with the PATRIOT Act, federal, state, and local criminal record searches, social security validity, and SafetyNet Jurisdiction search.

For the former police officers on this committee, including Mr. Plummer who is a sponsor of HB 205, you must know that these background and verification checks are quite rigorous. It should be clear to you that we do not hire illegal workers, and any assertions or insinuations to the contrary are simply unfounded.

Committee members, please do not believe what you have heard from the proponents of this legislation – people who have never worked for Cenovus Energy. I urge you to review the facts that have been presented and oppose HB 205, because this legislation would undermine my ability to find contractors who meet our rigorous safety and performance criteria.

Thank you.