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Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and members of the Senate Energy and Public Utilities Committee. My name is David Blatnik, and I am manager of state government relations for Marathon Petroleum Corporation, MPC for short. I and other Marathon colleagues appear today in opposition to HB 205 legislation that supporters suggest will “improve” safety at Ohio-based refineries. The bill’s proponents testified before this committee and made many statements and suggestions about the state of safety protocols at Ohio refineries – but without any data or facts to substantiate their claims. I believe that after listening to opponents of HB 205 you will conclude that not only is the legislation unnecessary, that if passed it would actually degrade safety at Ohio’s refineries and displace many hard-working Ohioans who help us maintain these facilities.

I should also touch on why Marathon Petroleum continues to oppose this bill when the sponsors and proponents have added language to “exempt” our Canton refinery. By applying the measure to only Ohio refineries with an operating capacity of more than 120,000 barrels per day of crude, our Canton plant would not be covered. What it does mean, is that MPC would have greatly reduced incentive to invest in an expansion of this facility as crude oil and its refined products are interstate commodities that could be refined in other state and transported back to Ohio for sale. Many on this committee are aware that development of Ohio’s shale region continues to grow and expand. What began as a natural gas play, is now producing more and more crude oil products. Legislation should incentivize the refining of these Ohio natural resources in Ohio, with Ohio jobs. Ohio refineries compete on a global basis, costs imputed only on Ohio refineries put Ohio businesses and jobs at risk.

At Marathon Petroleum safety is at the heart of everything we do, and it is engrained in our culture. We are proud of our safety record and can point to actual data from the Occupational Safety and Health Administration (OSHA) that demonstrates the refining industry is among the safest of any in the manufacturing sector. Our refinery in Canton is one of four refineries located in the state. On any given day at Canton, we have a combination of full-time Marathon Petroleum employees and contractors working in our facility to provide the fuels that power our state economy. The Marathon Petroleum team – employees and contractors – are experienced, knowledgeable, and rigorously trained in safety protocols and processes.

Before being allowed inside one of our facilities every contractor must:

1. Pass a vetting process that includes a thorough review of their safety record.
2. Complete Marathon Petroleum’s mandatory safety training – which we provide.
3. Pass a security background check and commit to the drug and alcohol testing program.

In short, we do not allow untrained workers to perform tasks within our facilities.

HB 205 mandates that refineries in Ohio hire contractors and subcontractors that are class A skilled journeypersons, apprentices, or both, at the following levels:

- Beginning January 1, 2024, 65%.
- After January 1, 2025, 80%.

Our main objection to the bill is we would be mandated to hire a specific class of workers without any assurance they will work any more safely than the workers we currently hire. The legislation also calls for contractors and subcontractors to prepare and file quarterly workforce reports with the Ohio Department of Commerce to demonstrate compliance with this law. These mandatory reports will only serve to drive up the cost of construction services for owners and operators of refineries in Ohio with no real impact or improvement on safety.

By mandating quotas for select classes, HB 205 significantly weakens MPC's robust contractor vetting and training program that we have been using for years. HB 205 would require MPC to hire contractors that may or may not meet our safety requirements. The legislation before this committee implies the specific classes of workers can work safely by virtue of their own training. HB 205 could also prevent MPC from excluding contractors with a poor or even substandard safety record from working in our facility so long as they supply a union journeyperson A, apprentice, or journeyperson B workers. Let me be clear - the bottom line is that Marathon Petroleum believes it is critical that it retain the ability to hire contractors that meet the company's rigorous safety standards. At our Canton refinery, our Total OSHA Recordable Incident Rate is 0.00 year to date – compared to a 0.60 U.S. petroleum refining industry average, according to the Bureau of Labor Statistics (source: [https://www.bls.gov/web/osh/summ1\\_00.htm#soii\\_n17\\_as\\_t1.f.1](https://www.bls.gov/web/osh/summ1_00.htm#soii_n17_as_t1.f.1)).

When it comes to safety, MPC's Canton refinery is one of the Best-of-the-Best, as it is the only refinery in Ohio to be designated an OSHA Voluntary Protection Program (VPP) Star facility. This designation isn't easy to achieve. The process started in 2010 and thanks to the hard work of all our dedicated employees and contractors we were awarded star status in 2017. The Canton refinery was recertified as a VPP Star facility in 2021.

- As an OSHA VPP Star Facility, the Canton refinery demonstrates excellence in hazard prevention and control.
- The only refinery in Ohio to receive VPP and 1 of 103 VPP Star Facilities in Ohio.
- In 2021 OSHA conducted their VPP Recertification Audit and had the following remarks about the Canton's Safety Programs and Employees:
  - World Class, A+, Top Notch Facility
  - Well Trained and Knowledgeable Employees and Contractors
  - Team Atmosphere with the Inclusion of the Workforce & Contractors

Based on this, I can definitively say our safety protocols are effective and HB 205 would not move the needle in any positive manner. As a result of this culture of safety, we are always looking for

ways to work with our employees and contractors to further improve protocols and processes. The remainder of this document outlines the tasks that contractors must go through before being allowed on site. This rigorous process makes sure that MPC facilities have well trained and prepared contractors coming on property. I am also pleased to be joined today by Heath Bittel, Health, Environment, and Safety Supervisor of our Canton Refinery, who will provide an overview of the type of vetting processes utilized.

Marathon Petroleum has a well-defined process to ensure outside contractors are properly screened and there are several steps that must be taken prior to even arriving on-site for one of our three maintenance tracks: routine, project, or turn-around. All contractors must enroll in ISNetworld. This is an online contractor management system and serves as a pre-qualification process to help ensure safety on the job site. Other contractor requirements include participation in an MPC-approved drug and alcohol testing program, completion of a background check and successful completion of appropriate orientation. This is the contractor vetting process:

### **Step One: Pre-work Requirements – Contractor and its employees**

- There are significant processes, vetting and procedures undertaken prior to a contractor starting work. Site contract companies shall:
  - Have an approved service agreement and purchase order
  - Be enrolled and have a status of “Safety Status Met” in ISNetworld
    - ISNetworld is a 3<sup>rd</sup> Party Contractor Safety Vetting Program that allows us to screen the company’s safety statistics, safety programs, and other company information to ensure standards are met.
    - To obtain the “Safety Status Met” level, contract companies must meet MPC’s Common Evaluation Criteria, which are:
      - Three Year OSHA Total Recordable Incident Rate (TRIR) less than 2.00. For reference, Canton’s own TRIR- 0.33.
      - Most recent years’ Experience Modification Rate must be less than or equal to 1.15,
      - Zero Willful OSHA Citations over the past three years,
      - A written safety program test score of 85% and a score of 100% on MPC Life Critical Programs (lockout-tagout, Fall Protection, Hot Work, Unit personal protective equipment, etc.),
      - Zero work related fatalities over the past three years, and Good standing with OSHA; contractors on OSHA’s Severe Violators List are disqualified from working in a MPC refinery.
- Prior to contract employees obtaining Access Badges they shall:
  - Be enrolled & “Green Lighted” in an MPC approved Drug and Alcohol Test Program.
  - Pass an MPC and DHS approved security background check using E-Verify
  - Successfully complete Caton Refinery’s Site-Specific Orientation & Unit Orientation Training Courses.

- These courses can be taken on-site at Canton’s administration office site or remotely at any of the 58 Association of Reciprocal Safety Council locations across the country.
- This training consists of interactive computer-based courses that cover topics such as emergency procedures, personal protective equipment requirements, general safety rules, and MPC Life Critical rules.
- Each course has knowledge assessments throughout the training and a final test to ensure comprehension of the course material.

## **Step 2: Site Access Requirements**

MPC employees must complete a contractor entry form that ensures security personnel are aware that contractors will be on site.

- MPC Requestor submits the Canton Contractor Entry Form to the Supervisor for Approval.
- The purpose of the Contractor Entry Form is to notify Security of personnel coming on-site, personnel needing training, and ensure employees are set up in Track for timekeeping purposes.

## **Step 3: Entering Site**

Security will issue an access badge to each worker that must always be kept with them while on refinery grounds.

- Contract Employees must report to Canton’s Security Building to obtain their Access Badge.
- At this time Canton’s Security Officer will verify that each contract employee:
  - Has a Valid Picture ID that matches their Training and Background Records,
  - Has Successfully Completed Site & Unit Orientation Courses,
  - Is Currently “green-lighted” in the Drug and Alcohol Testing, and
  - Has Passed an MPC Approved Security Background Check.
- Once all these items have been verified contract employees will receive an access badge that must be kept in their possession while on Refinery Property.

Our focus on safety never ends.

We have put in place several programs and initiatives in the safety area including ongoing auditing and review of existing practices to help identify areas of improvement and potential risks for workers.

- Contractor Safety Management is an integral program for the safety of Canton’s workforce and members of the community.
- Elements of the Canton refinery’s Contractor Safety Management Program include but are not limited to:
  - Weekly contractor safety meetings with participation by MPC safety professionals and refinery leadership team & weekly auditing requirements
  - Monthly craft training & auditing data review to identify areas for improvement

- Annual contractor safety field verification audits
- Three-year deep dive audit that reviews training records of contract employees, equipment inspection records, evidence of safety programs, and recordkeeping.
- Behavior Based Safety- Peer to peer observations to help identify potential at risk behaviors and help eliminate barriers to promote safe behaviors.
- Inclusion of contractor leadership on Audit Teams & Responsible Care committees
- Mentoring program for new contractor safety reps when arriving on-site.

There is additional training available to contractors working at our facility.

- Union Trades Training
  - Craftsperson starts as an apprentice and through the apprenticeship program gain the required skills & knowledge of the trade to be a qualified employee known as a Journeyman.
- Non-Union Skills Training
  - Craftsperson is required to complete an initial skills assessment and receive craft specific training from their employer for the work they are to perform. Continual skills training is provided through the National Center for Construction Education and Research (NCCER) and ongoing training by their companies.
- All contractors must meet all applicable state and federal training requirements ((29 CFR §1910.119(h)) and (40 CFR §68.87)
- All contractors complete the same safety training orientation courses regardless of work affiliation. Once on-site all training is conducted by contractor leadership to cover company and refinery-specific safety procedures.
- Certifications are required regardless of work affiliation such as NFPA 70E for electricians, NCCCO for crane operators, regulatory licenses for lead & asbestos abatement workers, and applicable codes for welders.

Refineries have three typical types of maintenance - Routine, Project, and Turn-arounds. For all this maintenance work MPC is laser focused on bringing in the most qualified and safe workers. I am pleased to introduce Les Davis, Refining Reliability and Mechanical Integrity Director, who will provide more context into refinery Maintenance activities.

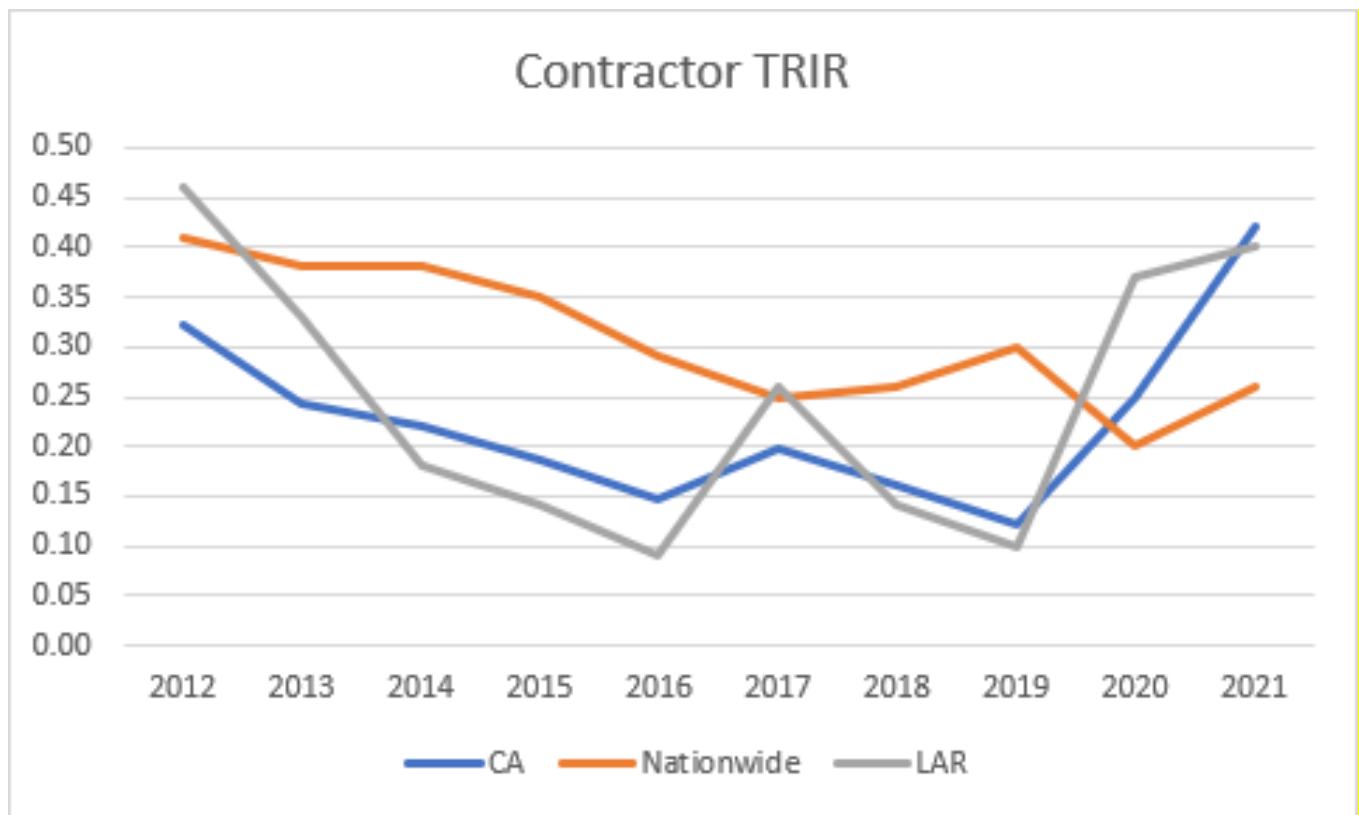
On the routine and project side, this is done through:

- Utilizing contractors with experience in the industry and at this facility
- Embedded contractors with years of experience that live in the community
- Mix of union and non-union contractors
- Outstanding safety, quality, and high productivity due to their experience and knowledge of the facility
- Many contractor companies have agreements negotiated on a company wide basis and work in multiple MPC refineries

Because a refinery operates 24/7 365 day a year, it needs a major maintenance overhaul – called a turn-around – every 7 to 10 years and the refinery is typically shut down for several weeks. We

bring in contractors who have specialized training, skills, and experience in these major maintenance initiatives. The contractors we use perform turnaround work at multiple MPC locations on a continuous basis and have a deep understanding of the work being completed as well as great familiarity with MPC safety and quality standards.

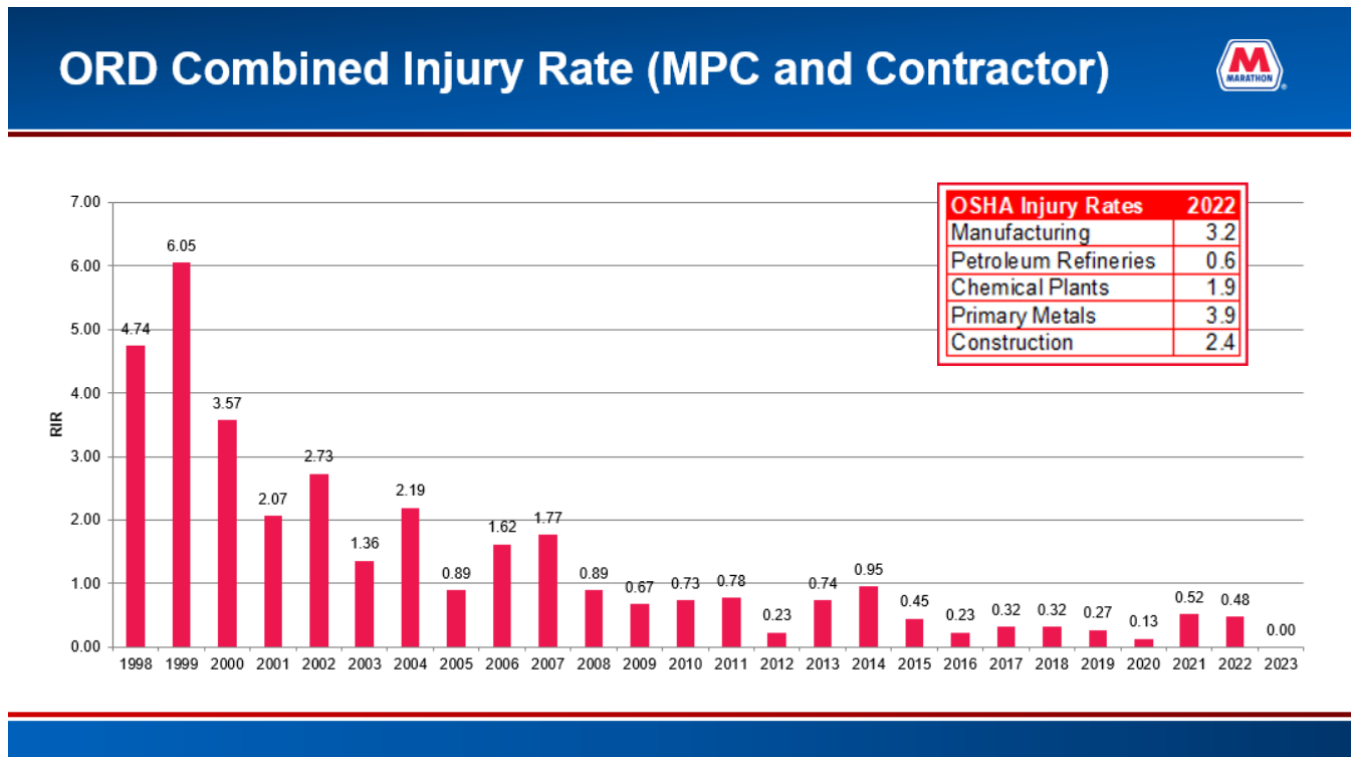
Les Davis has been with MPC in Maintenance roles for many years and was most recently at our Los Angeles, CA refinery during the implementation of the SB54 legislation. He can attest that it was most definitely resulted in a downgrade in safety and quality. He saw that injury rates went up significantly and labor was a constant concern as the local unions could not provide the headcount that was needed to support the facility. The unions attempted to respond by “organizing” labor from other industries or from out of state and/or previously non-union labor. This resulted in a blended workforce made up of unproven craftspeople and largely unfamiliar with petroleum refinery work. The new craftspeople did not add any additional expertise, but simply carried a higher prevailing wage labor rate. Les witnessed that safety and quality suffered as a result. The language of the law allowed for grandfathering of standing contracts, but ultimately the refinery owners at the time signed a Project Labor Agreement in late 2017 that trickled into effect in 2018 and 2019. See attached injury statistics below based on American Fuel and Petrochemical Manufacturer’s (AFPM) data. We have seen similar struggles with our Anacortes, Washington refinery. Our St Paul, Minnesota refinery is preparing for similar issues since the legislation just passed in that state. Again, we do not see any data that supports an increase in safety or quality as a result of this change.



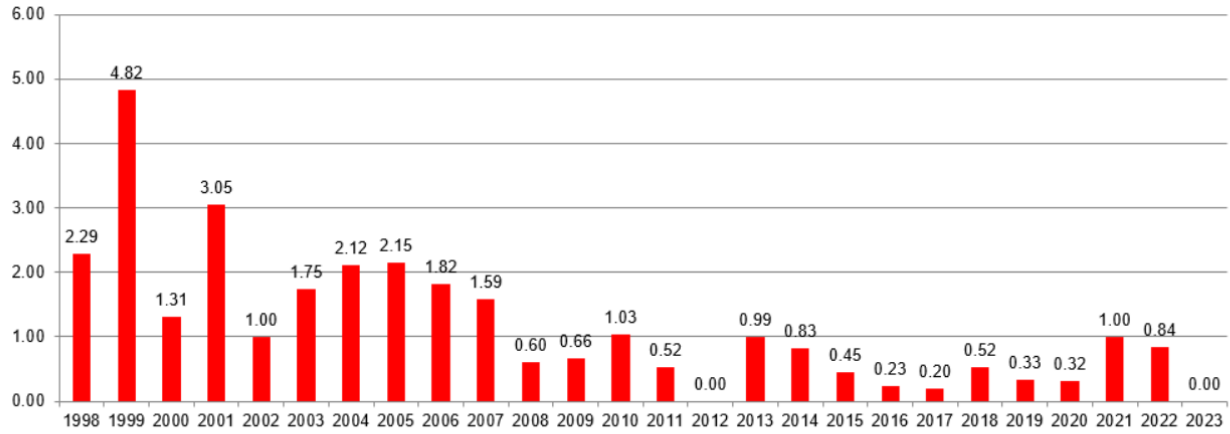
Because of our contractor safety program and numerous other safety initiatives, Canton has an excellent safety record. But we never take these records for granted - we continuously work to enhance all facets of our policies, programs, and procedures.

We are extremely proud of the safety record at the Canton refinery as evidenced by the graphs we will show you. MPC feels that with all our safety measures in place we have shown you here today that this legislation is not needed for refining safety protocols.

The below graphs show MPC's Canton refinery safety statistics and a continued emphasis on safety.



# ORD Contractor Injury Rate



# ORD Contractor First Aid Injury Rate (per 10,000 Hours Worked)



■ Union ■ Non-Union

