



Doug Powell, Senior Manager, Projects & Turnarounds
Cenovus Energy, Toledo Refinery
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Mr. Chairman, Ranking Member Thomas and members of the Committee, thank you for the opportunity to testify today on behalf of Cenovus Energy.

My name is Doug Powell, and I currently serve as Senior Manager, Projects & Turnarounds at Cenovus's Toledo refinery. I will have worked full time in this industry for 32 years this Saturday, and have worked at the Toledo Refinery for more than 25 of those years.

I've been involved in maintenance, turnaround, and other project work during all those years, and I've had the accountability to select and manage contract companies throughout that time. My accountability is to lead the development and execution of projects and turnarounds in a safe and high-quality manner to enable the future safe and reliable operation of the facility. This is important for the safety of all those who work there, both now and in the future, for the safety of our community, and for the sustainability of our business.

We have worked very closely with many contract companies who employ union trades and have appreciated strong relationships with those companies and the trades over many years. The Toledo Refinery has employed contractors with workers represented by the building trades for many decades, including over 600 trades contractors through much of this year. We anticipate continued services of around 300 building trades contractors for much of the rest of 2023, and we continue to anticipate these contractors and the building trades being important partners with our business in the future.

I responded to the tragic incident at the refinery on September 20, 2022 where two of my co-workers did not make it home. Our workforce, and Cenovus, are committed to doing what is needed to prevent another such incident.

Although the investigations into this incident are ongoing, according to OSHA's findings and the Chemical Safety Board's interim report, you will not find any mention of contractor training or performance associated with the incident. Cenovus would appreciate proponents of this legislation stop insinuating that contractor performance caused this incident and waiting until the facts are presented from the ongoing investigations.

Mr. Szollosi told this Committee that there were layoffs because of the 2022 incident in Toledo. I would like to correct his assertion. One of the site's immediate priorities after the incident response was to assess and ensure proper safe condition of all process units following the unplanned shutdown that occurred during the incident. Over 300 contractors supported that immediate effort while we temporarily paused non-critical activities. We then had over 400 union contractors working at the site within 2 weeks after the incident and this quickly increased to well over 600 union contractors for a period of

months to help restore the refinery. The Toledo Refinery did not lay off a single refinery employee as a result of the incident.

HB 205 will not contribute to the goal of making our business safer. In fact, this bill will impose more safety risk on our business. It will do this by eliminating our ability to select contractors based upon factors that are important to achieve our expectations of Safe, Quality, Reliable, and Efficient Operations.

To be clear, our contractor selection is not about choosing union or non-union. Our contractor selection is focused on the companies and their crews that can perform the work in the safe, quality, professional and efficient manner that will meet our expectations and high standards.

For the benefit of Committee members who are likely unfamiliar with our process for hiring contract workers at our refineries, I want to explain a little about that process and the values we apply in making our hiring decisions.

First, the values that are always at the core of our hiring decisions:

- Safety is always our top value. We fully expect everybody who works at our site to leave in the same condition as they arrived. We care about everybody who enters our refinery gate, and everyone in our community.
- Quality is about doing work the right way. A high level of quality is critical to ensuring the safety of those working at the refinery in the future and in supporting our safe, reliable operation.
- Professionalism is required to ensure proper respect of everybody working at the refinery and to drive our culture of working together as One Team.
- Efficiency is important, because performance matters and cost-effective, predictable services are required to ensure the sustainability of our business.

To summarize our selection and hiring process:

- We identify work that is required;
- We evaluate potential contract companies;
- We select those contract companies based upon the Values I just described;
- And then those contract companies hire employees, who may or may not be union-represented crafts, to perform the required services.

We have many good union contractors working at the refinery on an ongoing basis, performing the routine work that is required to keep our facility operating safely, efficiently, and reliably. Those firms and their steady employees understand their jobs and perform them well, as they have built experience with these work activities over the years. We consider those union contractors to be highly valued contributors to our business.

However, as workload and the demand for quantity of crafts increases beyond the routine level, such as during turnarounds, we have consistently experienced problems with adequate staffing through the firms employing union-represented crafts – and with the quality of refinery-specific skills and competencies in these crafts that we expect. This applies both with the additional local and traveling trades who do not

have the same level of refinery skills and performance, although they might be capable of performing well in other industrial or commercial jobs.

We have specific experience when the apprenticeship programs such as required by this bill have not provided trades with sufficient ability to perform safe, quality work at our refinery. Apprenticeship programs alone do not offer the specialized training required for trades to perform work on some of our equipment and systems. We've had cases when the crafts most closely associated with the work is assigned by the union hall, yet the apprenticeship program has not adequately prepared them. This has resulted in the contract companies and/or the site attempting to supplement their skills by providing additional knowledge, by providing substantial oversight of the services, or the work proceeding by a crew with only a limited percentage of crew members with the skills needed while others act as helpers without the skills to fully perform the work.

Furthermore, when the trade most closely associated with the work is not available through the union hall, we've seen crafts from other trades get assigned to man the job by the union hall, including times when this led to equipment damage or quality problems. This has included crafts receiving a referral or white ticket to a job in the jurisdiction of a trade which was in high demand, but those assigned crafts have not been through the relevant apprenticeship program or possess the refinery skills we would expect our contractors to provide.

To reinforce, the local union halls are unable to staff the demand for skilled trades on our large turnarounds which makes it problematic to have enough crafts with apprenticeship training supplemented by refinery specific skills. Particularly during our large events, the building trades provide significant quantities of crafts *from all regions of the United States* in an attempt to supply our union contractors.

Our experience is that there are certain non-union firms who routinely perform the type of work we require in the refinery and have employees who have been highly trained in these specialty skills. Those companies perform very well based upon other means to train, provide competency and mentorship which is not the same as the apprenticeship programs specified in the bill. Such specific apprenticeship programs are in no way the only or the best means for contractors to staff and perform safe, quality work.

I will share our experience during our most recent turnaround in 2022 when we had around 2,000 union contractors on-site at peak. Relative to the union contractors, the non-union contractors used during the turnaround were found to perform the work:

- more safely, with stronger overall safety performance and cultures; The 2022 turnaround was completed with a safety performance four times better based upon OSHA Recordable Injuries than our similar event completed in 2016. The 2022 turnaround was completed with about 50% union and 50% non-union firms while the 2016 event was completed nearly entirely with union firms. This improvement in safety performance and the safety culture that we saw was a direct positive outcome of our very deliberate contractor selections.
- with a higher level of quality, including a 30% lower weld reject rate and with no quality issues that resulted in equipment startup or operational problems; and

- with strong professionalism and efficiency, including less than half the absenteeism of the union firms. Some union trades averaged 15% absenteeism with an additional 9% of individuals leaving about halfway through their shift. This average daily performance throughout the turnaround had a significant adverse impact on the outcome of the event.

Unfortunately, we had widespread and systemic problems with employees of our union contractors having incidents that were in extreme violation of our Values and Behaviors. This included multiple physical altercations between individual union trades employees and numerous disrespectful behaviors of others, including racist and other offensive name-calling and graffiti. This occurred on the job and within our facility. And for the record, Cenovus and the Toledo Refinery have a zero tolerance for these matters and was forced to remove these individuals from site, thus disrupting the manpower on site.

In our valued partnership with our union contractors and the building trades, we remain committed to working together to support improvements in these areas. However, HB 205 would eliminate our ability to select contractors based upon our knowledge and experience of who will perform work in the safest, highest quality and most professional manner.

It is critical for the safety of our workforce and operations, and for the future of our business, that we select contractors without the unnecessary and misguided staffing mandates that HB 205 would impose on their employees. Mr. Chairman, Ranking Member Thomas, and members of this Committee, we urge you to reject this highly flawed, politically motivated bill.

Thank you for your consideration, and thank you again for this opportunity to testify before the Committee.