



A COMMON POSITION ON THE FUTURE OF OIL

EXECUTIVE SUMMARY

September 2013



Over a fifteen-month period stretching from June 2011 to August 2012, oil refinery workers and environmentalists came together to discuss the future of oil. In four roundtables held at United Steelworkers (USW) Local offices near refinery communities in California, Louisiana, Washington and Texas, 97 people—mostly refinery workers represented by the United Steelworkers and members of local Sierra Club chapters—participated in the drafting of a common position on the future of oil.



The roundtable members first agreed that:

1. The health and safety of workers and the health and safety of the environment are inextricably linked. The explosions at the BP Refinery in Texas and at the Tesoro Refinery in Washington—as well as the Deepwater Horizon disaster on the Gulf Coast—are all tragic examples of this connection.
2. Oil companies and their leaders must be expected to obey the laws and follow best practices that are designed to protect the health and safety of workers and the environment. The U.S. Chemical Safety Board has found that the Deepwater Horizon, Tesoro and BP tragedies all could have been prevented if corporate management had obeyed the law and followed established practices on process safety.
3. Improvements in the efficiency of how oil is produced and used, the health and safety of oil industry workers, and the health and safety of the environment are all achievable. But to win all three types of victories, environmentalists and union members must work together.



Then participants reviewed and discussed information on how the U.S. economy currently depends on oil; how we use more oil than we produce; why improvements are needed in the safety practices of oil production and refining; and how the oil industry is a powerful political force, resulting in an unhealthy cycle of huge subsidies and lax regulation. The dialogue emphasized the importance of identifying solutions that would cut our consumption of oil, the need to rely on existing sources of domestic oil and reduce our dependence on foreign oil, and the importance of protecting the jobs of American oil workers and improving the safety of American refineries.

Participants developed a series of solutions designed to:

- Cut our consumption of oil so the oil we're still using is domestically produced, ensuring the job security of American refinery workers;
- Improve the safety and health practices of the U.S. oil industry; and
- Elect people to represent us that are committed to these ideals.



SOLUTIONS

To cut our consumption of oil:

In transportation, where the U.S. uses two thirds of our total oil consumption:

- Develop and deploy high-efficiency and advanced vehicle technologies to support and fully implement strong vehicle fuel economy and pollution standards;
- Repair and upgrade road networks to reduce congestion, improve efficiency and keep America's vehicle fleet in good repair;
- Improve freight, port and aviation systems to reduce energy and cost of moving people and goods;
- Invest in passenger/higher speed rail and freight rail networks to bring them into the 21st century;
- Support more investment in transit to increase transportation choices as a fuel saving option for families and workers; and
- Link housing, transportation and employment activities to create more livable, sustainable communities in cities, suburbs and rural areas.

For other uses of oil:

- Make homes and buildings more energy efficient including support for the greening of America's schools;
- Develop alternatives to oil-fired utilities and expedite the transition to renewable sources of energy;
- Expand and ensure long-term viability of incentives to cut oil use in industry, buildings and homes through efficiency and new technology;
- Secure investment in clean power production by protecting current tax incentives and loan guarantees;
- Support a Comprehensive Manufacturing Plan that defines a long-term vision for the growth of our industrial base, and its positioning in the global clean energy economy;
- Support current state and regional approaches to develop Renewable Electricity Standards (RES) tied to Greenhouse Gas (GHG) reduction goals; and
- Support the expansion of a modern interstate power grid and expanded broadband communication services to increase system efficiency and telecommuting.

To pay for those investments, make our nation's infrastructure more efficient, and move to a clean energy economy, we need to account for the true cost of oil in our tax and trade policies.

We need to chart a future where the costs of oil are no longer externalized and we create a more level playing field for the other parts of our energy portfolio. These proposals were discussed as ways to accomplish these goals:

- End subsidies for oil extraction;
- Reform transportation policies and formulas to drive investment in infrastructure that will increase transportation choices and reduce demand for oil;
- Establish a tax on each barrel of oil starting in 2013 and rising each year and direct revenues into a new All-American Transportation Trust Fund to drive investments in transportation and to help American workers transition to a new clean energy economy; and
- Protect American consumers by rebating a percentage of the revenues and capturing revenue from foreign oil producers who will start paying billions in new taxes.

To ensure that the oil we're still using is domestically and responsibly produced and to improve the job security of American refinery workers:

- Reform the subsidy program and tax benefits for the oil industry to require a preventive maintenance program, as outlined in the USW's *Beyond Texas City* and *A Risk Too Great* reports;
- Promote the use of safely and environmentally responsibly extracted domestic oil that is refined and processed in safety-focused American refineries by adding domestic labeling and an import fee or tariff for oil that is refined in countries with lower environmental and occupational health and safety standards;
- Provide adequate staffing to ensure safe operation in all potential operating circumstances.
- Ensure enforcement of current state and national environmental and safety requirements relating to the extraction, transport and processing of oil, strengthening them where possible and ensuring regulatory agencies are fully-resourced.
- Address the four highly hazardous conditions associated with the March 23, 2005 BP Texas City disaster:
 1. Eliminate all atmospheric vents on process units;
 2. Manage instrumentation and alarms;
 3. Create a definition of "safe siting"; and
 4. Ensure that all non-essential personnel are outside of hazardous areas.

This is an ambitious plan. But we believe that we can do it: We can significantly cut our consumption of oil. We can make sure the oil we'll still need comes from existing sources of safely extracted and safely refined American oil. We can use a tax on oil—especially foreign oil—to revive the economy and to invest in the infrastructure and innovation we need to cut our current oil consumption. We can make sure that subsidies only go to companies that are investing in safety. We can create a future that our children will be proud to be part of.

But we need to be represented by elected officials who can help us turn this plan into reality. Today the oil companies have too much power and we have too little. That's why we need a common vision of the future of oil—and a union and environmentalist BlueGreen plan to get there. The combination of unionized worker power and environmentalists power is a necessary precursor to building the kind of movement that can swing the pendulum back and restore some balance to our democracy.

As USW President Leo Gerard says, “The real choice is not jobs or the environment. It’s both or neither.” The only route to both good jobs and a cleaner environment is the path environmentalist and union members build ourselves, working side by side.



A Common Position on the Future of Oil is the result of four roundtable discussions between oil refinery workers represented by the United Steelworkers and local members of Sierra Club chapters. Representatives of the Union of Concerned Scientists, Natural Resources Defense Council and the National Wildlife Federation, local environmental and environmental justice organizations and other unions also participated in the four events held in Carson, California; Gonzales, Louisiana; Texas City, Texas; and Port Angeles, Washington. The participants in the Carson, California Roundtable are pictured above.



AND THESE BLUEGREEN ALLIANCE PARTNER ORGANIZATIONS



Today, the BlueGreen Alliance unites 14 of our country's largest unions and environmental organizations. Acting together, through more than 15 million members and supporters, we are a powerful voice for building a cleaner, fairer and more competitive American economy.

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