

BP Agrees to Pay \$13M for Refinery Penalties

SAM HANANEL, Associated Press

WASHINGTON (AP) — Oil giant BP has agreed to pay an additional \$13 million to settle charges of failing to fix safety violations at its Texas City oil refinery after a 2005 explosion killed 15 workers.

The settlement announced Thursday is the latest move toward resolving hundreds of violations at the plant alleged by the federal Occupational Safety and Health Administration.

BP had already paid \$50 million in 2010 to settle some of the OSHA violations. The government had been seeking a total of \$80 million in penalties, the largest fine in its history.

Resolving the fines could help BP in its effort to sell the Texas City refinery, now the nation's sixth largest. The settlement comes as BP attempts to restore its global reputation and resolve litigation over the massive 2010 oil spill in the Gulf of Mexico.

"Their behavior has significantly improved in terms of safety since then, and I think this will send a strong message out to the industry as well," said Jordan Barab, deputy assistant secretary for OSHA.

Iain Conn, BP's global head of refining and marketing, said the company is committed to safety and to "a strong relationship" with OSHA.

The settlement resolves all but 30 of more than 700 violations discovered at the plant in 2009. Barab said he expects the rest to be litigated or settled in the future but stressed that there are no further imminent dangers at the refinery.

Of the remaining citations, 110 were withdrawn and most of the others were reclassified as less severe under the settlement.

The fines were assessed after OSHA said the company failed to comply with the original terms of a 2005 agreement to take corrective measures following the deadly blast four years earlier. OSHA also said BP had committed hundreds of new violations when it failed to follow industry practices in its pressure relief safety systems.

Under the terms of the settlement, BP must file a report by the end of the year showing that it has corrected all safety violations.

Overall, the company has paid more than \$2 billion to settle lawsuits and fines stemming from the 2005 explosion. It also has spent more than \$1 billion on safety and infrastructure improvements at the Texas City refinery and another \$500

BP Agrees to Pay \$13M for Refinery Penalties

Published on Chem.Info (<http://www.chem.info>)

million to make fixes under a 2010 settlement agreement with OSHA.

BP is the second largest producer of oil and gas in the United States.

Brent Coon, an attorney who represented workers and families who sued BP after the explosion, praised OSHA for putting additional pressure on BP to speed up safety improvements at the refinery. But he said the Justice Department's failure to prosecute management personnel individually "has allowed the company to act with less haste than it would have otherwise."

"BP unjustifiably failed to comply with well-established industry standards for safe operations in process safety management in order to save money, and at some point management itself should be forced to answer for it," Coon said in a prepared statement.

Barab said one of the main sticking points until now had been BP's failure to install a system for shutting down or controlling any leaks or other incidents at the refinery. He said the company has now begun installing a sophisticated program that meets OSHA's expectations.

—
Follow Sam Hananel's labor coverage on Twitter at <http://twitter.com/SamHananelAP> [1]

Source URL (retrieved on 10/25/2014 - 11:42pm):

<http://www.chem.info/news/2012/07/bp-agrees-pay-13m-refinery-penalties>

Links:

[1] <http://twitter.com/SamHananelAP>