

News Release

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Contact Name: Diana Petterson

Phone Number: (202) 693-1898

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US Department of Labor's OSHA issues record-breaking fines to BP

WASHINGTON — The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) today announced it is issuing \$87,430,000 in proposed penalties to BP Products North America Inc. for the company's failure to correct potential hazards faced by employees. The fine is the largest in OSHA's history. The prior largest total penalty, \$21 million, was issued in 2005, also against BP.

Safety violations at BP's Texas City, Texas, refinery resulted in a massive explosion — with 15 deaths and 170 people injured — in March of 2005. BP entered into a settlement agreement with OSHA in September of that year, under which the company agreed to corrective actions to eliminate potential hazards similar to those that caused the 2005 tragedy. Today's announcement comes at the conclusion of a six-month inspection by OSHA, designed to evaluate the extent to which BP has complied with its obligations under the 2005 agreement and OSHA standards.

"When BP signed the OSHA settlement from the March 2005 explosion, it agreed to take comprehensive action to protect employees. Instead of living up to that commitment, BP has allowed hundreds of potential hazards to continue unabated," said Secretary of Labor Hilda L. Solis. "Fifteen people lost their lives as a result of the 2005 tragedy, and 170 others were injured. An \$87 million fine won't restore those lives, but we can't let this happen again. Workplace safety is more than a slogan. It's the law. The U.S. Department of Labor will not tolerate the preventable exposure of workers to hazardous conditions."

For noncompliance with the terms of the settlement agreement, the BP Texas City Refinery has been issued 270 "notifications of failure to abate" with fines totaling \$56.7 million. Each notification represents a penalty of \$7,000 times 30 days, the period that the conditions have remained unabated. OSHA also identified 439 new willful violations for failures to follow industry-accepted controls on the pressure relief safety systems and other process safety management violations with penalties totaling \$30.7 million.

"BP was given four years to correct the safety issues identified pursuant to the settlement agreement, yet OSHA has found hundreds of violations of the agreement and hundreds of new violations. BP still has a great deal of work to do to assure the safety and health of the employees who work at this refinery," said acting Assistant Secretary of Labor for OSHA Jordan Barab.

The BP Texas City Refinery is the third largest refinery in the United States with a refining capacity of 475,000 barrels of crude per day. It is located on a 1,200-acre facility in Texas City, southeast of Houston in Galveston County.

A willful violation exists where an employer has knowledge of a violation and demonstrates either an intentional disregard for the requirements of the Occupational Safety and Health (OSH) Act of 1970, or shows plain indifference to employee safety and health. A penalty of up to \$70,000 may be assessed for each willful violation.

A notification of failure to abate can be issued if an employer fails to correct a cited condition and the citation is a final order of the Occupational Safety and Health Review Commission. A penalty of up to \$7,000 may be assessed for each day that the violation remains uncorrected.

Under the OSH Act, OSHA's role is to promote safe and healthful working conditions for America's working men and women by setting and enforcing standards, and providing training, outreach and education. For copies of citations, a fact sheet and a timeline, go to <http://www.osha.gov>.