OSHA Fines BP Products North America More Than $21 Million Following Texas City Explosion
Company Agrees to Make Extensive Plant-Wide Improvements

WASHINGTON -- BP Products North America Inc. has agreed to pay more than $21 million in penalties for safety and health violations following an investigation of a fatal explosion at its Texas City, Texas, plant March 23 that claimed the lives of 15 workers and injured more than 170 others. The penalties are part of a settlement agreement announced today by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA).

"We know this settlement can never replace the lives that were lost or comfort the families that were devastated by this tragedy," said Jonathan L. Snare, acting assistant secretary of labor for OSHA. "But the agreement means that BP Products employees will be working in safer facilities because BP will be making the necessary safety and health upgrades."

The agreement settles citations issued against BP Products following the fatal explosion at the Texas City refinery complex caused by a fire in the Isomerization Unit (ISOM) when a cloud of hydrocarbon vapors ignited during the start up of the ISOM. The settlement also addresses other ongoing investigations at the Texas City Refinery and requires BP Products to address process safety management (PSM) plant-wide.

"This citation and penalty - nearly double the next largest fine in OSHA history - sends a strong message to all employers about the need to protect workers and to make health and safety a core value," Solicitor of Labor Howard M. Radzely stated. "BP will pay the full fine, abate all the hazards, and significantly improve their safety measures."

Under terms of the settlement, BP Products agreed to:

- pay $21,361,500 in penalties and abate all hazards for which they were cited;
- complete a review of the ISOM unit to determine how it can be operated safely and alert OSHA if and when a decision is made to start up the unit in the future;
- retain a firm with expertise in process safety management (PSM), including pressure relief systems, safety instrumented systems, human factor analysis and performing process safety audits, to conduct a refinery-wide comprehensive audit and analysis of the company’s PSM systems;
- hire an expert to assess and report on communication within and between management, supervisors, and authorized employee representatives and non-management employees and the impact of the communication on implementation of safety practices and procedures;
- submit to OSHA and BP Products’ authorized employee representative, every six months for three years, logs of occupational injuries and illnesses ("OSHA 300 Logs") and all incident reports related to PSM issues;
- notify the OSHA area office of any incident or injury at the Texas City facility that results in an employee losing one or more workdays during the same three-year period.

BP Products North America Inc. is part of BP of London, England, which engages in petroleum exploration and refining. The Texas City refinery, where the explosion occurred, is BP’s largest oil refinery with thirty process units spread over 1,200 acres and 1,600 permanent employees.

Employers are responsible for providing a safe and healthful workplace for their employees. OSHA's role is to assure the safety and health of America's workers by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual process improvement in workplace safety and health. For more information, visit www.osha.gov.

ATTACHMENT - Summary of Citations and Proposed Penalties
Egregious Willful Violations

- Non-intrinsically safe electrical equipment. ($70,000 x 167 = $11,690,000)
- Failure to correct deficiencies in equipment that are outside acceptable limits for the pressure relief header subsystem, liquid knockout subsystem, blowdown drum stack, blowdown snuffing stream, blowdown vessel, quench system, raffinate tower site glass and 69 pieces of equipment tied into the pressure relief system in the ISOM unit. ($70,000 x 76 = $5,320,000)
- Failure to compile written process safety information for the four systems in the ISOM Unit. ($70,000 x 4 = $280,000)
- Failure to adequately evaluate safety and health impact of catastrophic blast for temporary trailers located near ISOM unit. ($70,000 x 18 = $1,260,000)
- Failure to evaluate alarms and instruments for design reliability and integrity of process systems to determine criticality or determine Safe Integrity Level. ($70,000 x 31 = $2,170,000)

TOTAL PROPOSED PENALTIES FOR EGREGIOUS WILLFUL VIOLATIONS: $20,720,000.

Willful violations are those committed with an intentional disregard of, or plain indifference to, the requirements of the Occupational Safety and Health Act and regulations.

Willful Safety Violations

- Numerous source vessels relieved to atmosphere through blowdown stack, which was not in a safe location and which was in poor condition. ($70,000)
- PHA facility siting did not adequately address potential damage to the ISOM satellite control room where daily occupancy existed. ($70,000)
- Failure to ensure that the emergency shutdown procedure for ISOM unit included specific information for emergency shutdown of the Raffinate Splitter. ($70,000)
- Failure to ensure operators followed start-up procedure and procedure was not written. ($70,000)
- Failure to ensure hot work permit was obtained prior to driving vehicles into the ISOM unit. ($70,000)

TOTAL PROPOSED PENALTY FOR WILLFUL SAFETY VIOLATIONS: $350,000.

Willful Health Violations

- Failure of individual in charge to perform an adequate site characterization. ($70,000)
- Failure to warn employees of the developing fire and explosion conditions. ($70,000)

TOTAL PROPOSED PENALTY FOR WILLFUL HEALTH VIOLATIONS: $140,000

Serious Safety Violations

- Handrail on stair 25 feet above lower level was not capable of holding 200 pounds. ($2,500)
- MSDS for PSI for INT-ARU Raffinate was missing toxicity information. (grouped = $7,000)
- PSI information incorrectly displayed safe operating limits for Raffinate tower as 70 psig while tower had been re-rated for 40 psig. ($7,000)
- Failure to have correct P&IDs for ISOM and blowdown stack. ($7,000)
- Failure to have PHA for human factors; operators required to activate pumps at base of blowdown drum in response to upsets. ($7,000)
- Failure to resolve PHA recommendations for nitrogen purge on relief headers. ($7,000)
- Failure to ensure refresher training at least every three years. Operators did not understand parameters concerning blowdown and Raffinate tower. ($7,000)
- Failure to inform each affected contractor prior to start up of the Raffinate Splitter. ($7,000)
- MOC to operate reflux drum in a flood condition changed Raffinate tower operation and procedures; training was not updated. ($7,000)
- MOC to derate Raffinate tower did not ensure P&ID was updated. ($7,000)
- MOC to derate Raffinate tower did not ensure SOP was updated. ($7,000)
- PSM compliance audit action items were not addressed. ($7,000)

TOTAL PROPOSED PENALTY FOR SERIOUS SAFETY ITEMS: $86,500

Serious Health Violations

- Failure of the ERP to address critiques. ($7,000)
- Failure of ERT to don respiratory protection. ($7,000)
- Failure to provide appropriate training to the incident management team. ($7,000)
- Failure to monitor for asbestos following explosion. ($7,000)
- Failure to maintain records of asbestos removal. ($7,000)
- Failure to preserve and maintain employee asbestos exposure records. ($7,000)
- Failure to conduct sampling for each job classification for each work area. ($7,000)
- Failure to conduct STEL benzene monitoring. ($7,000)
- Failure to notify employees of monitoring results. ($7,000)
- Failure to provide urinary phenol tests to all employees exposed to benzene as a result of the ISOM unit explosion. ($7,000)

TOTAL PROPOSED PENALTY FOR SERIOUS HEALTH ITEMS: $7,000

A serious violation is defined as one in which there is a substantial probability that death or serious physical harm could result, and the employer knew or should have known of the hazard.
TOTAL PROPOSED PENALTY FOR SERIOUS HEALTH VIOLATIONS: $70,000

Other-Than-Serious Health Violations

- Failure to record three recordable instances on the 2004 OSHA 300 log. ($1,000)
- Failure to record STS on the 2004 OSHA 300 log.
- Failure to record days away for two instances on the 2004 OSHA 300 log. ($1,000)

TOTAL PROPOSED PENALTIES FOR OTHER-THAN-SERIOUS HEALTH VIOLATIONS: $2,000.

SUMMARY OF PROPOSED PENALTIES:

<table>
<thead>
<tr>
<th>Category</th>
<th>Proposed Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGRESSIVE WILLFUL</td>
<td>$20,720,000</td>
</tr>
<tr>
<td>WILLFUL</td>
<td>490,000</td>
</tr>
<tr>
<td>[ $350,000 for Safety &amp; $140,000 for Health]</td>
<td></td>
</tr>
<tr>
<td>SERIOUS</td>
<td>156,500</td>
</tr>
<tr>
<td>[ $86,500 for Safety &amp; $70,000 for Health]</td>
<td></td>
</tr>
<tr>
<td>OTHER THAN SERIOUS</td>
<td>2,000</td>
</tr>
<tr>
<td>[Health]</td>
<td></td>
</tr>
<tr>
<td>TOTAL FOR ALL VIOLATIONS:</td>
<td>$21,361,500</td>
</tr>
</tbody>
</table>

NOTICE: This is an OSHA Archive Document, and may no longer represent OSHA Policy. It is presented here as historical content, for research and review purposes only.