

## News Release

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### **BP to pay \$50.6 million to resolve US Labor Department litigation**

#### *Penalty stems from 2005 explosion at Texas City, Texas, refinery*

**WASHINGTON** — The U.S. Department of Labor's Occupational Safety and Health Administration today announced that BP Products North America Inc. will pay a full penalty of \$50.6 million stemming from the 2005 explosion at its Texas City, Texas, refinery that killed 15 workers and injured 170 others. The agreement resolves failure-to-abate citations issued after a 2009 follow-up investigation. In addition to paying the record fine, BP has agreed to take immediate steps to protect those now working at the refinery, allocating a minimum of \$500 million to that effort.

"This agreement achieves our goal of protecting workers at the refinery and ensuring that critical safety upgrades are made as quickly as possible," said Secretary of Labor Hilda L. Solis. "The size of the penalty rightly reflects BP's disregard for workplace safety and shows that we will enforce the law so workers can return home safe at the end of their day."

Under the agreement, BP immediately will begin performing safety reviews of the refinery equipment according to set schedules and make permanent corrections. The agreement also identifies many items in need of immediate attention; the company has agreed to address those concerns quickly and to hire independent experts to monitor its efforts. Additionally, the agreement provides an unprecedented level of oversight of BP's safety program including regular meetings with OSHA, frequent site inspections and the submission of quarterly reports for the agency's review. Finally, in a step toward workplace safety corporate-wide, BP agrees to establish a liaison between its North American and London boards of directors and OSHA, which will allow the agency to raise compliance problems at the highest level.

"Safer conditions at this refinery should result from this arrangement, which goes far beyond what can normally be achieved through abatement of problems identified in citations," said Assistant Secretary of Labor for OSHA Dr. David Michaels. "Make no mistake, OSHA will be watching to ensure that BP complies with the agreement and safeguards its workers."

In September 2005, OSHA cited BP for a then-record \$21 million as a result of the fatal explosion at its Texas City refinery in March of that year. Upon issuance of the citations, the parties entered into an agreement that required the company to identify and to correct deficiencies. In a follow-up investigation in 2009, OSHA found that although the company made many changes related to safety, it failed to live up to several extremely important terms of that agreement. As a result, OSHA cited BP for "failure to abate" violations with penalties totaling a record \$50.6 million that BP now has agreed to pay. \*

During that same 2009 investigation at the Texas City refinery, OSHA also identified 439 new willful violations and assessed more than \$30 million in penalties. Litigation before the Occupational Safety and Health Review Commission regarding those violations and penalties is ongoing and is not impacted by today's settlement.

To read materials related to today's agreement, visit <http://www.osha.gov/dep/bp/bpagreement.html>.

Under the Occupational Safety and Health Act of 1970, employers are responsible for providing safe and healthful workplaces for their employees. OSHA's role is to assure these conditions for America's working men and women by setting and enforcing standards, and providing training, education and assistance. For more information, visit <http://www.osha.gov>.

**\*EDITOR'S NOTE:** In October 2009, OSHA announced \$87.4 million in penalties against BP resulting from its inspection of the Texas City plant earlier that year. The \$56.7 million penalty was levied for BP's failure to abate the hazards behind the fatal 2005 explosion. In November 2009, U.S. Department of Labor attorneys, in preparation for filing with the Occupational Safety and Health Review Commission, discovered that the department inadvertently had assessed 29 duplicate "failure-to-abate" violations totaling \$6.09 million. The penalty was therefore adjusted to \$50.6 million, still the highest fine ever issued by OSHA and paid by an employer.

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