



News Release

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**BP agrees to pay more than \$13 million and abate violations
in settlement agreement with US Department of Labor**
*Penalty stems from citations for more than 400 process safety management
violations cited at Texas refinery in October 2009*

WASHINGTON – The U.S. Department of Labor's Occupational Safety and Health Administration today announced that OSHA and BP Products North America Inc. have resolved 409 of the 439 citations issued by the agency in October 2009 for willful violations of OSHA's process safety management standard at BP's refinery in Texas City, Texas. Under the agreement, BP will pay \$13,027,000 in penalties, and already has abated or will abate all existing violations by the end of 2012.

"Protecting workers and saving lives is the ultimate goal of this agreement," said Secretary of Labor Hilda L. Solis. "For the workers at BP's Texas City refinery, this settlement will help establish a culture of safety. The workers who help keep our nation's oil and gas industries running deserve to go to work each day without fear of losing their lives."

In September 2005, OSHA cited BP for a then-record \$21 million as a result of the explosion at its Texas City refinery that killed 15 workers in March of that year. Upon issuance of the citations, the parties entered into an agreement that required BP to identify and correct deficiencies.

In a 2009 follow-up investigation to evaluate BP's performance under the 2005 agreement, OSHA found that although BP had made improvements at the plant, the company had failed to correct a number of items, which led OSHA to issue 270 failure-to-abate notices. In a 2010 settlement, BP agreed to pay a penalty of \$50.6 million to resolve those notices. Also in 2009, OSHA cited BP for 439 willful violations of the agency's PSM standard, including failing to follow industry-accepted engineering practices for pressure relief safety systems. Those citations carried total proposed penalties of \$30.7 million.

Under today's agreement, all violations covered in this settlement have been corrected or will be corrected by Dec. 31, 2012, using the procedures established under the 2010 agreement. Under the 2010 agreement with OSHA, independent third-party experts provided oversight of BP processes for relief and safety instrumented system evaluation, as well as quarterly progress reports on BP's activity. The 2010 agreement also required BP to hire independent experts to monitor BP's efforts and obligated the company to allocate \$500 million to ensure safety at the Texas City refinery.

Of the 439 October 2009 willful citations, all but 30 are settled by this agreement. The breakdown of the citation settlement is as follows: BP accepted 57 willful and 31 serious citations as issued; 61 original willful citations have been grouped as 34 repeat citations; 150 willful citations have been grouped as 92 unclassified citations; 110 citations have been withdrawn by OSHA; and 30 unresolved citations have been grouped as 22 unresolved citations and remain under contest, and will be litigated or settled in the future.

The 110 citations were withdrawn because BP provided additional documentation after the citations were issued, showing several pieces of equipment originally cited were not covered by the PSM standard, were out of service at the time of the inspection or met the applicable Recognized and Generally Accepted Good Engineering Practices requirements. BP's documentation was reviewed and verified by OSHA and independent third-party experts.

RAGAGEP is a safety concept set forth in OSHA's PSM standard that requires employers covered by the standard to operate potentially hazardous facilities using good engineering practices accepted by their industry. The 30 unresolved violations, which were grouped in the settlement as 22 citations, address BP's failure to protect certain pressure relief valves in accordance with RAGAGEP.

"Make no mistake, the scope of this agreement should send a clear signal that OSHA is committed to ensuring BP takes seriously the safety and health of America's most important natural resource – its workers," said Assistant Secretary of Labor for Occupational Safety and Health Dr. David Michaels.

OSHA's evaluation of working conditions at this refinery was conducted by the agency's Houston South Area Office.

To read today's agreement, visit <http://www.osha.gov/dep/bp/FINALEXECUTEDSettlement.pdf>*. For a timeline on OSHA's actions regarding BP, visit <http://www.osha.gov/dep/bp/bp.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 ensure 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>.

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