

Narrative of the USW Campaign to Save the Philadelphia Refineries

Immediately after Labor Day 2011, the Philadelphia area was rocked by an announcement by Sunoco, Inc., that it was putting its two remaining oil refineries, one in Philadelphia and another a few miles south in Marcus Hook, Pa., up for sale with the proviso that the refineries would be shuttered if a buyer could not be found by mid-2012. The company's announcement gave the impression ultimate shutdown was the most likely outcome. Barely two weeks later, on September 19, ConocoPhillips said it would shut down its refinery in Trainer, Pa., next door to the Marcus Hook facility, and would close it for good if a buyer could not be found by March 2012.

USW and its three locals at the refineries swung into action immediately. On September 28, at USW's urging, local political leaders convened a massive stakeholders' meeting to lay out the issues and begin making the case to save the three refineries. In addition, USW began an extensive outreach among its contacts in the business community to identify potential buyers. USW looked at domestic and foreign oil companies, at qualified private equity firms that could be trusted to run the refineries, and at other businesses and investment companies.

The three locals, USW Locals 10-1 at Philadelphia, 10-234 at Trainer, and 10-901 at Marcus Hook quickly printed up thousands of yard signs and distributed them broadly in the refinery communities; thousands of these signs were on display for months. In October the three locals began an on-line petition drive, and USW began posting material about the possible refinery closings and the USW campaign to Facebook and its web site.

Early in October, the union's legislative staff met with the office of Rep. Edward Markey (D-Mass.) to talk about the possible impacts of the refineries closing. On October 11, with USW support, four area congressional leaders, Rep. Bob Brady (D-Pa.), Rep. Chaka Fattah (D-Pa.), Rep. Patrick Meehan (R-Pa.), and John Carney (D-Del.) sent letters to ConocoPhillips and Sunoco emphasizing the negative impact on the region were the refineries to close and strongly urging the companies to find appropriate buyers.

Later in October, the three local union leaders, and USW legislative staff together with the Union's oil policy expert and strategic campaigns staff visited a large number of congressional offices from the Northeast to discuss with them the potential economic effect on Metropolitan Philadelphia, and the negative effect on the Northeast region if it were deprived of the home heating oil, diesel fuel, and jet fuel refined at the three locations. Highlights included a meeting with the staff of House Democratic Leader Nancy Pelosi (D-Cal.) in which the office indicated it would raise the USW concerns with White House staff in a regular briefing scheduled for that morning. Early that same afternoon, USW was informed by Rep. Markey's office that the issue had indeed been raised in the White House meeting.

In early November a massive rally was held in Marcus Hook, attended by over 1,000 people and featuring signs created by local schoolchildren. Just prior to this, local union leaders and USW staff held additional meetings with congressional offices in Washington. The intent was to meet with every

possible office in the Northeast and with key committee leaders who could convene hearings. A major and ultimately successful effort was made to persuade Sen. Casey (D-Pa.) to become active in the campaign. The office of Rep. Allyson Schwartz (D-Pa.) enthusiastically joined in the effort to save the refineries.

Shortly thereafter, with strong USW support, Reps. Markey and Brady sent a letter to the Federal Trade Commission asking it to investigate possible anti-trust issues connected with the possible refinery closures. The same day a letter from Reps. Markey, Brady, and Henry Waxman (D-Cal.) went to EIA raising very substantial concerns, some imparted by USW, about petroleum products supply issues created by the potential refinery closures.

In mid-November, USW President Leo Gerard sent a letter to former Pennsylvania Gov. Ed Rendell (D), alerting him to the petroleum supply and jobs issues created by the planned closures. A few days later he issued a letter to high level state and congressional officials throughout the Northeast. New York Gov. Andrew Cuomo (D) was among those officials responding with concern to the Gerard letter.

Further visits to congressional offices happened in November and on into December. In mid-December, Rep. Brady issued a letter to both companies asking for details of their plans to sell the refineries, in order to guard against the possibility and USW concern the companies would structure their sale offers in a way to make them unattractive to potential buyers. In early December, USW Vice President Gary Beevers sent an initial letter to Pennsylvania Gov. Tom Corbett (R) asking for a meeting to discuss the refinery situation, the risk to the impacted communities and the supply risk to Pennsylvania and the Northeast.

In early January, the local leaders, VP Beevers, senior oil bargaining staff, senior legislative staff, the USW oil policy expert and strategic campaigns staff met directly with EIA to discuss the petroleum products supply problems that would occur if the refineries were to close. EIA fully understood and the following month issued a comprehensive report on energy in the Northeast confirming USW's concerns. Following the EIA meeting there was a major press conference at the USW Washington, D.C., office to discuss the impacts of the potential refinery closures. A number of major media articles resulted.

Also in January senior USW leaders and staff had an intensive phone conference with senior White House economics advisor Gene Sperling in order to brief him on the jobs and energy supply concerns were the refineries to close. Sperling also reached out for substantive discussions with the three local union leaders. The second week of January there was a major stakeholder meeting at the Pennsylvania State Capitol in Harrisburg, Pa. The same day USW VP Beevers sent a letter to Gov. Corbett, asking him to step up involvement in the campaign to save the refineries.

On January 13, Pres. Gerard sent a letter to Pennsylvania's attorney general raising state-level anti-trust concerns. Another Gerard letter went out the same day to the Federal Aviation Admin. (FAA), raising USW concerns about the supply of jet fuel to the Northeast were the refineries to close. Soon thereafter, on January 25, Sen. Casey, at USW urging, sent a letter to the ConocoPhillips and Sunoco

CEO's urging them to work hard to sell the refineries. January 13 USW launched an on-line petition drive targeted at Northeast political officials at every federal and state level, urging their support for the refineries.

In February, March, and April, a number of state-level hearings were held in Pennsylvania, leading up to eloquent testimony by Local 10-1 member Nancy Minor before two key Democratic state representatives. Also testifying at multiple hearings and working constantly to keep the issue in the view of local, state and federal political leaders were Local 10-1 President Jim Savage, Local 10-234 President Denis Stephano, and Local 10-901 President Dave Miller.

On February 8 USW held a press conference at the Pennsylvania State Capitol in Harrisburg. This was followed up by a candlelight vigil at the governor's mansion urging Gov. Corbett to become more involved in the refinery campaign. February 10, at USW urging, Sen. Casey sent a letter to Senate Energy and Commerce Chair Jeff Bingaman (D-N.M.), urging him to convene a committee hearing on the impacts on energy supply of the potential refinery closures.

On February 11, there was a major community fundraising event in Marcus Hook and Trainer on behalf of the USW and other union members working at the refineries. Later that day an action at Gov. Corbett's Philadelphia office featured post-it notes urging the governor's stepped-up involvement in the campaign to save the refineries.

Then on February 15, there was a major rally in Washington, D.C., attended by over 250 local leaders and members from the three USW locals, from the Boilermakers, and from other unions whose members have jobs at the refineries. Speakers included Sen. Casey, Sen. Patrick Toomey (R-Pa.), Reps. Brady, Carney, Fattah, Meehan, and Schwartz. A press conference was held immediately after. The union members then split up, half to visit congressional offices, and half to attend spirited USW rallies at the Washington, D.C., offices of both Sunoco and ConocoPhillips.

On February 27, EIA issued a comprehensive report essentially confirming the USW concerns about energy supply in the Northeast and elsewhere were the refineries to close. In March and into April USW's intensive efforts behind the scenes to identify and work with suitable buyers continued, led by Pres. Gerard, USW Vice President Tom Conway, and VP Beevers, strongly supported by senior corporate research staff. This work began to bear fruit late in April, when Sunoco, having previously brought in a new CEO, announced it had signed an exclusive negotiating arrangement for the sale of the Philadelphia refinery with the deep-pocketed private equity firm the Carlyle Group.

On March 13 a leaked report prepared by Pennsylvania state economic officials verified USW concerns about the devastating impact of the potential refinery closures on jobs in southeast Pennsylvania.

On March 19 U.S. Rep. Patrick Meehan at USW urging convened a hearing to discuss the national security implications if the refineries were to close. The USW supplied written testimony for the hearing record. USW issued a press release April 3 on the Homeland Security implications of the projected

refinery closures. On April 25 Sen. Casey convened a hearing of the Congressional Joint Economic Committee to discuss the refinery situation. Here also USW supplied written testimony for the hearing record.

Then on April 30, ConocoPhillips announced it had made a deal to sell the Trainer refinery to a shell company controlled by Delta Airlines. The airline stated it was buying the refinery in order to lock in supplies of jet fuel for its hubs in the Northeast. The sale was finalized by ConocoPhillips successor company Phillips 66 and Delta in mid-June.

Also in April Sunoco announced it was being acquired by pipeline company Energy Transfer Partners (ETP). As of late June intensive talks among Sunoco, ETP, and Carlyle involving sale of the refinery and reconfiguration of pipeline supply routes to ensure crude supply at Philadelphia are continuing, with strong USW support.

In sum, USW and its three locals waged a massive campaign, in the refinery communities, in regional state capitals, particularly Harrisburg, and at the federal level in Washington, D.C. Hundreds of members along with the extensive resources of USW were deployed. The campaign, combined with USW's understanding of the oil industry, and its strong outreach in the business community literally changed the debate over the fate of the refineries.

At the time of the closure announcements, mainstream opinion in business, the government at all levels and the media had been completely blasé about the prospect of losing the refineries. Little or no thought was given to the consequences, either to the workers and the local economy, or to the general public in the Northeast, who depend upon those refineries for the fuel to heat their homes and power their vehicles.

USW changed this by its continual, articulate and well-founded insistence that in fact the consequences would be severe, both to the workers and the local economy, and to the Northeast. Once USW began with its message, some political leaders caught on right away. Others took longer. The business community and the public took longer to grasp the reality, but with USW's behind-the-scenes work with business and journalists, the word began to get out. By early this year the conventional wisdom had changed and leading actors began to understand the need to both ensure supply and to ensure the continued health of the refinery communities.