

April 5, 2022

Minnesota House of Representatives
Labor, Industry, Veterans and Military Affairs Finance and Policy
HF 984
Flint Hills Resources Testimony

Chairman Ecklund and Members of the Committee:

Thank you for the opportunity to provide this feedback on House File 984.

Flint Hills Resources owns and operates the Pine Bend refinery in Rosemount, which is responsible for supplying most of the transportation fuels Minnesotans rely on and a significant portion of the fuels used in the surrounding states. We also produce other essential products such as asphalt for roads and roofing, fertilizer, home heating fuels and the raw materials that are used to make thousands of products people use every day.

Our facility is one of the most active work sites in Minnesota. In addition to our fulltime workforce of approximately 1,000 employees, we hire hundreds, sometimes thousands of skilled contractors to support our operations, including project work and maintenance events. In fact, in the last 10 years, we've invested in projects equivalent to building two Minnesota Vikings stadiums and we've had years where we average more than 1,000 contractors on site every day. We also have short-term maintenance events that can exceed 3,500 contractors daily.

Most of the contractors we hire come from the Minnesota Building Trades. We have long worked collaboratively with the leadership of the Minnesota Building Trades to promote the trades and to deepen the pool of skilled labor available in Minnesota to help support our operations. It's a partnership we value.

We also work collaboratively with the Minnesota Building Trades and others on workplace safety, which is always our top priority. Since the late 90s, we've reduced injuries by 70 percent. We are both a certified MNSTAR and PRO-10 site. In fact, we were the first work site in the nation to achieve PRO-10 status, which is a professional development and safety program that we helped develop and specifically tailor to the construction and building trades. Our contractors' site agreements also have additional safety and training requirements.

Concerns with H.F. 984

Flint Hills Resources has several concerns with H.F. 984, which would require a certain minimum percentage of our contractors to be certified apprentices or journeyman, prior to being allowed entry to the refinery.

First, it's not clear to us what problem this legislation hopes to solve. We have received no complaints about workplace safety that would merit a change in state law. To our knowledge there is no data supporting the need for this policy or validating the notion that a minimum

apprentice-level training requirement would make our refinery safer. Our own data shows no such correlation.

We also object to this legislation's singling out of oil refineries. According to U.S. Building Codes, refineries are considered no more hazardous than other Occupancy H businesses that deal with hazardous substances, including chemical plants, ethanol plants, and numerous other facilities. There is no justification to apply such legislation solely to the state's two oil refineries.

We also have significant concerns with the restrictiveness and punitive nature of the policy, which could limit our ability to access needed labor in a timely manner, create an adversarial compliance process and impose considerable compliance costs, including the prospect of litigation and fines.

Our maintenance events can require more than 3,500 contractors for a period of days or weeks. This far exceeds the amount of qualified local labor that would be available on a short-term basis. Workers from other states that augment the local labor force during these large maintenance events are often experienced refinery workers who travel state to state to perform their specialty craft. Some but not all these workers have the type of apprentice-level certified training that would be deemed satisfactory under this legislation.

The scope of H.F. 984 is also extremely broad, including roles that fall outside of the traditional trades such as specialty crafts, work involving original manufacturer warranties and various support roles, including security, environmental and safety inspectors, software technicians and IT and other technology roles. The requirement would also seemingly apply to contract labor who may have extensive expertise in certain aspects of refinery maintenance, such as replacing catalyst or conducting other engineering-level maintenance work, but do not have nor do they need apprentice-level certification to perform their work safely.

It is our understanding, based on a review of other states that have adopted similar policies, none are as restrictive or as onerous as H.R. 984. Perhaps more importantly, there is nothing factual in the record to suggest this legislation is necessary or even appropriate or that it would improve refinery safety.

Flint Hills Resources is committed to maintaining a safe workplace. There is nothing more important than the health and safety of our employees, contractors, and neighbors. If there are safety deficiencies, we would welcome the opportunity to work with labor leaders to address whatever concerns this legislation hopes to solve.

Thank you.

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Flint Hills Resources