

BP Texas Explosion

BP's Texas City Refinery in Texas City, Texas is the third-largest oil refinery in the United States. A major explosion occurred in an isomerization unit at the site on March 23, 2005, killing 15 workers and injuring more than 170 others. The total cost impact of this incident may be up to US \$3 billion.

The investigation report identified numerous failings in equipment, risk management, staff management, working culture at the site, maintenance and inspection and general health and safety assessments.

Legal action

On February 4, 2008, U.S. District Judge Lee Rosenthal heard arguments regarding BP's offer to plead guilty to a federal environmental crime with a US\$50 million fine. At the hearing, blast victims and their relatives objected to the plea, calling the proposed fine "trivial." So far, BP has said it has paid more than US\$1.6 billion to compensate victims.

On October 30, 2009 the US Occupational Safety and Health Administration (OSHA) imposed an \$87 million fine on the company for failing to correct safety hazards revealed in the 2005 explosion. The fine was the largest in OSHA's history, and BP announced that it would challenge the fine.[3]

Baker Panel

Following the 2005 incidents, on 17-Aug-2005 the CSB recommended that BP Headquarters commission an independent panel to investigate the safety culture and management systems at BP North America. The panel was led by former US Secretary of State James Baker III. The Baker panel report was released on January 16, 2007. The principal finding was that BP management had not distinguished between "occupational safety" (i.e. slips-trips-and-falls, driving safety, etc.) vs "process safety" (i.e. design for safety, hazard analysis, material verification, equipment maintenance, process upset reporting, etc.). The metrics, incentives, and management systems at BP focused on measuring and managing occupational safety while ignoring process safety. BP confused improving trends in occupational safety statistics for a general

improvement in all types of safety.

Additionally the panel created and administered to all five of BP's North American refineries an employee survey focusing on various aspects of "process safety". From the survey results they concluded that the Toledo and Texas City plants had the worst process safety culture while the Cherry Point refinery had the best process safety culture. The survey results also showed that managers and white collar workers generally had a more positive view of the process safety culture at their plants when compared with the viewpoint of blue collar operators and maintenance technicians. The director of the Cherry Point refinery was promoted to oversee better implementation of process safety at BP.

CEO Retires

The head of BP (Lord John Browne) retired early amid the various problems plaguing BP in 2005 and 2006 (including the problems at Texas City, the shutdown of the Alaska pipeline, allegations of propane market manipulation, etc).



