



Marathon Petroleum Company LP

301 St Paul Park Road
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Tel: 651.459.9771

January 11, 2023

Dear Chair McEwen and Senate Labor Committee:

Marathon Petroleum Corporation (MPC) is a leading, integrated, downstream energy company headquartered in Findlay, Ohio. The company operates the nation's largest refining system. MPC's marketing system includes branded locations across the United States, including Marathon brand retail outlets. MPC also owns the general partner and majority limited partner interest in MPLX LP, a midstream company that owns and operates gathering, processing, and fractionation assets, as well as crude oil and light product transportation and logistics infrastructure.

Our St. Paul Park refinery (SPPR) is located along the Mississippi River and part of the Twin Cities community. Originally built in 1939, it has a crude oil refining capacity of 105,000 barrels per calendar day (bpcd). The refinery manufactures gasoline, distillates, asphalt, heavy fuel oil, propane and refinery-grade propylene, which is produced using sweet crude from the Bakken region in North Dakota as well as various grades of Canadian sweet and heavy sour crude. Products are delivered from the refinery by pipeline, truck, rail and barge.

Thank you for the opportunity to comment on Senate Bill 10, which would require apprenticeship-level training for all outside contractors working at oil refineries in Minnesota. MPC opposes this legislation due to our concerns about its unintended consequences, including reduced flexibility to meet operational needs, the potential for reducing jobs for Minnesota residents, and the safety implications for our operations. As drafted, the bill could lead to contractor shortages, eroding refineries' operational excellence by negatively impacting current and future facility workforces. Additionally, the bill sets a precedent of the legislature mandating who private businesses can hire and reduces refineries' abilities to choose the safest, most technically-advanced contractors to meet operational needs. As such, this legislation would negatively impact SPPR's current contract employees who would not meet this requirement, and their families that call Minnesota home, as well as MPC's ability to ensure the best future workforce possible to meet our commitment to safety.

As of January 6, 2023, the U.S. Bureau of Labor Statistics reported that the unemployment rate edged down to 3.5%, which is one of the lowest levels of the past 20+ years. This rate is indicative of the fact that the U.S. is reaching full employment and few are being left out. It has and continues to be difficult to staff maintenance and major projects in the state of Minnesota. This bill not only limits the ability to hire the safest and specifically-trained contract companies, but it also jeopardizes availability of Minnesota workers to meet the demands of in-state refineries. This issue is exacerbated by the aggressive mandated apprenticeships which are far in excess of those outlined in California (Year 1: 30%; Year 2: 45%, and Year 3: 60%) and the U.S. Inflation Reduction Act.

SPPR averages just under 150 contractors per day during normal time periods. During labor-intensive maintenance periods, such as turnarounds, that number has peaked at over 1,300 workers on site, depending on turnaround scope. It can be challenging to fill more specialized positions currently, and by shrinking the available labor pool through the limitations put forth in this bill, planned mechanical maintenance that is



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critical and integrity-driven may be delayed due to lack of available workforce. Further, unplanned (emergency) maintenance could be jeopardized by a limited number of contract workers. This could decrease safety at refineries and could require many apprenticeship-trained workers to be brought in from out of state to both meet the requirement and uphold safety levels that currently exist. This forced transition creates inherent safety risks.

Additionally, there are certain highly skilled crafts that do not have apprenticeship-level training available, nor does apprenticeship-level training include industrial-specific training. In certain situations, the wide scope of this bill would require that refineries hire contractors with less specialized apprenticeship training over contractors that employ skilled craftsmen with decades of experience in a particular trade. This trade-off could result in the loss of hundreds of current jobs held by Minnesotans in and around our community. Trading skilled and experienced workers for those with potentially less training simply because they attended an apprenticeship program is an inherent safety risk.

California (Senate Bill 54) and the U.S. Government (Inflation Reduction Act) recognized the need to ensure that any contract labor preference and/or mandate provided enough flexibility to employers to ensure that they could staff their projects. Both provide for their respective apprenticeship mandate requirements to be considered satisfied if apprenticeship-trained workers are requested and that request is denied or unanswered within a specified period of time, such as 48 hours in the case of SB 54. Provisions like these are critically important to ensure that the legislature mitigates the unintended consequences of this bill and to avoid disruptions to the operations of Minnesota refineries.

MPC awards our contracts based on a comprehensive evaluation process, selecting companies that have exemplary safety records; demonstrate a strong health and safety culture for their employees and concern for our communities; practice sound environmental stewardship; and create value through innovative technology and craft specialization. Contractors must also meet all federal and state regulations and are trained for their specific roles. To support this disciplined selection process, our contractors' health and safety programs and related scores (total recordable incident rate, OSHA logs, etc.) are vetted by an independent auditor prior to awarding business. Our rigorous selection process has resulted in qualified union-represented and non-represented contractors safely and successfully performing work at the refinery.

MPC views the use of contractors (apprentice trained and merit-based) at our facility as a true partnership. The apprentice and non-apprenticed men and women who work at SPPR and throughout our organization are an integral part of our team. We work tirelessly to instill the same commitment to safety that we maintain and are thrilled with our current workforce. It is important to note that this bill would impede our ability to continue to employ Minnesotans that are currently part of our team and who have not attended apprenticeship programs but who have on-the-job, specialized trainings. More specifically, without a grandfathering clause and with sudden implementation, this language will require refiners to remove merit contractors in good standing with specialized industrial training without a guaranteed apprenticeship-trained workforce available to fill these roles. This will likely displace Minnesota workers and replace their work with apprenticeship-trained workers traveling from other states, if they are available. Further, without a



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grandfathering clause like California's, contractors with years of specialized experience would need to go back to apprenticeship training to qualify for the job that they have done safely for years. This could be likened to sending a neurosurgeon back to community college to get an Associate Degree.

Finally, while we support any exemption provided under the law for collectively bargained agreements, that exemption should be comprehensive in its impact and clearly exempt owners and operators from any and all penalties, fines and causes of action under this new law.

Adding a hiring mandate will limit our available workforce, compromise safety and negatively impact Minnesotans who currently support our operations. MPC is strongly opposed to the passage of this bill in its current form and hopes to work with lawmakers to avoid its unintended consequences. Thank you for the opportunity to submit comment.