

‘They Own the Oil, but the People Are Ours’: Workers Strike at Chevron's Richmond Refinery

By Ted Goldberg Mar 21



Chevron's Richmond refinery viewed from Point Richmond in January 2022. (Beth LaBerge/KQED)

Unionized workers at Chevron's Richmond refinery went on strike early Monday, marking the most significant labor action by employees of a major oil-processing facility in California in seven years.

The action involves some 500 members of the United Steelworkers (USW) Local 5, whose leaders have been in contract talks with Chevron executives for months.

Negotiations between the two sides broke down over the weekend, after the union rejected an offer by Chevron. The company told labor leaders they would not resume talks the following day, prompting the union on Saturday night to give notice of the strike.

"We have nothing left but to withhold our labor," B.K. White, a USW negotiator, said in an interview with KQED last month. "That's the only thing we've got. They own the oil. They own the equipment. It's their land. But the people are ours."

In late February, the national USW union reached a nationwide agreement with a group of oil industry companies on a framework for wage increases and working conditions. The union's 200 or so regional chapters bargain over local issues before they agree on individual contracts.

USW Local 5 and Chevron have not released the specific details of their contract proposals. The union says the sticking points center on worker safety and pay for some employees.

"Our people are working 12-hour shifts," said Tracy Scott, president of USW Local 5, in an interview last month. "They're asking them to come out on their days off and work additional 12-hour shifts, which compromises their efficiency and effectiveness by fatigue."

White said his local chapter asked for a 5% pay increase above what was agreed to in the national deal because of the higher cost of living in the Bay Area.

"The fight has begun. A fight for maintaining a standard of living," White said in a text message to KQED Monday morning.

Chevron executives say their contract offer is fair, competitive and responsive to the union's concerns.

"However, the union's demands exceeded what the company believes to be reasonable and beyond what was agreed to as part of the national pattern bargaining agreement," said Chevron spokesperson Linsi Crain.

The strike is taking place amid significant increases in gasoline prices nationwide, particularly in California, where the cost at the pump is higher than in any other state. The average price per gallon of gasoline in the state reached \$5.85 on Monday, according to AAA. The average in San Francisco is now \$5.92.

If the strike causes the refinery to shut down, that would be bad news for the state's consumers, said Severin Borenstein, an energy economist at UC Berkeley Haas School of Business.

"It's one of the major producers in the state, and California spot prices for wholesale gasoline are unusually high right now relative to the rest of the country, which indicates tight refining capacity," he said. "Losing a major refinery would almost certainly push prices up substantially."

Chevron has emphasized it plans to continue normal operations at the Richmond plant.

"We anticipate no issues in maintaining a reliable supply of products to the market," Crain, from Chevron, said.

Tolly Graves, director of the Richmond facility, on Sunday told refinery workers the company had "notified USW that it will proceed with a safe and orderly refinery turnover," according to a memo to employees obtained by KQED — implying that Chevron planned to transfer operations from union workers to managers.

"Employees scheduled to work Sunday night should not report," Graves said in the memo.

The union, along with its supporters and some elected leaders, have raised concerns about the increased risk of accidents if operations are handled by refinery managers and possibly other workers less familiar with the facility.

Contra Costa County Supervisor John Gioia, who represents the district where the facility is located, says he's concerned "the highly trained and experienced USW workers will not be operating the refinery."

"I continue to urge a resolution of the labor issues so that the Richmond community can feel secure that the most experienced refinery operators remain on the job running the facility," he said in an email.

Contra Costa County industrial regulators have been in touch with Chevron for weeks about the potential for a strike, according to Matthew Kaufmann, director of the county's Hazardous Materials Programs.

The agency requires refineries to submit facility management change plans that address staffing levels, duties and training for people who would hold new roles in the event of a labor action. Kaufmann says Chevron had taken the necessary steps in preparation for a strike.

Because of the labor action, inspectors with the Bay Area Air Quality Management District will monitor operations at the Chevron refinery more closely than they normally do, according to agency spokesperson Kristine Roselius.

The labor dispute laid bare the extreme tension that exists between some of Richmond's city leaders and the refinery.

"Chevron has used Richmond as a personal piggy bank for generations," Councilmember Claudia Jimenez said.

"Our community is on the front lines of the climate crisis and environmental justice and we have Chevron to thank for it," she added. "USW Local 5 workers are telling Chevron and the rest of the city that their bodies and minds have a limit, and our city does, too."

Another council member, Eduardo Martinez, who's running for mayor, said Chevron was indifferent to worker safety and the health of city residents.

"It is a myth that we rely on Chevron for our economic well-being. They rely on us, the residents and the workers. I support USW Local 5 as they refuse to sacrifice all of our health for corporate profit," Martinez said.

The city's current mayor, Tom Butt, seemed unaware of the status of the labor dispute, as of Sunday.

"Last I heard from USW, they told me it was settled," Butt said in an email.

The last California refinery strike took place in February of 2015 when work was halted at what was then Tesoro's Martinez refinery, which is now owned by Marathon Petroleum.

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