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Heard, Robins, Cloud & Lubel, LLP

BP trial turns to \$1 billion refinery project

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Houston Chronicle-by KRISTEN HAYS

BP is pouring \$1 billion into repairs and upgrades at its Texas City refinery, including elimination of blowdown stacks like the one that released vapors which ignited, causing an explosion in March 2005 that killed 15 people and injured many more, a refining executive said today.

Pat Gower, regional vice president of BP North America, testified in the first civil trial to emerge from blast-related litigation that the company could have made such investments before the blast rather than playing catch-up after a tragedy.

"Yes, they could have been made before the explosion," he said evenly under questioning from plaintiffs' lawyer Brent Coon in his third day on the witness stand.

The spending issue arose as Coon highlighted a survey of Texas City workers in late 2004 that elicited harsh assessments of the company's commitment to safety and willingness to forgo upgrades to maximize profits.

"BP is not addressing the leadership culture that will permanently reverse the lack of operational integrity and is setting TC up for a series of catastrophic failures," one of the survey answers said.

Gower called the statement "this person's view."

"In fact, it turned out to be very prophetic, didn't it?" Coon asked.

"It looks like it could be called prophetic, I don't know," Gower said.

The explosion happened when a blowdown stack overflowed with flammable hydrocarbons, emitting the vapors that ignited. Alarms and gauges that would have warned of the problem failed.

The unemotional, matter-of-fact persona Gower has had throughout his testimony vanished today when BP lawyer James Galbraith asked him on cross-examination to describe details of two post-blast deaths.

Gower burst into sobs when describing the electrocution death of Richard Liening, 44, in June, and state District Judge Susan Criss granted Galbraith's request to break for lunch.

Galbraith said during the break he didn't know if Gower knew Liening personally.

But Gower described the 2006 death of another contractor in a straightforward manner, while becoming emotional when talking about Liening, an electrician who died while working on a unit that upgrades low-quality crude oil that was being reconditioned prior to restart.

The four plaintiffs Coon represents say BP put profits over safety in the years before the blast by cutting budgets for maintenance, repairs, replacements and training. BP acknowledges having imposed budget cuts in the late 1990s and early part of this decade, but disputes any link between those reductions and the explosion.

Before testimony resumed today, Criss ruled that BP has three weeks to produce tax records for plaintiffs

on all units at the refinery from 1998 - the year BP gained the plant through its acquisition of Amoco - and March 2005. BP had produced records related only to the unit where the explosion occurred, but not refinery-wide.

Lance Lubel, a plaintiffs' lawyer among many who are handling lawsuits pending against BP, said the records would show that in BP's budget-cutting years before the blast, the company sought to shave \$1 billion in taxes because "the plant was out of date due to physical depreciation and obsolescence" and "basically a piece of junk."