

May 24, 2006

Interview: Joe Barnes

Location: Col. Moody Room,
Tremont Hotel
Jeffrey S. Heller, Stephanie C.
Moore, Rudy Blyweert & Joe Barnes

Introduction by Jeffrey S. Heller

Lamar University '85. 21 years at Amoco/BP. Hired in TXC. Process engineer, process management, operations leadership. Worked in commercial. 2000-2002 San Juan basin. Came back to TXC as MDL in Cracking (when Don Parus held the Site Director role) until Innovene came. Joe Robinson moved to Innovene. Don asked me to take HSE and continue work on culture at site. September 1, 2005. September 2 - burn accident. I then was asked to cover for Willie Willis for a couple of weeks. Then back to HSSE role until May 2005, then back to MDL Cracking. I am now asked to take a special project role in TXC, but I'm looking elsewhere -- I list as future to be announced.

I went to Senior Leadership Team in September 2004 from the "extended leadership" team. The Innovene split--many persons left. We had to reorganize the plant. PSM went into HSSE effective January 1, 2005. Norine was site service manager, and PSM was under Norine. Both Norine and Joe were on Senior Leadership Team. Don also had an extended leadership team. MDL's reported to Rick. Various services reported to Don as BPSHIS. Rick left at same time as Innovene split off and Don became BUL. There was dotted line between Rick and Pat Gower. Rick had solid line to Don. Gower was networking and facilitation. Don later reports dotted line to Pat, solid line to Mike H.

The BP SHIS break up was a major deal -- Don wanted to keep head count the same--no new hiring so we effectively had to bring head count down to point where we only supported TXC.

Don asked me to be cultural change leader at the site--the May and September 04 investigation revealed lack of compliance with safety processes.

Gabe Quadra had been full time cultural change manager appointed by Don when he started. Poor Union relations, same concerns on competencies, professional women. Gabe went to be a BUL in Mexico. Measure cultural change--Gabe and Don and leadership team were using Telos (but I was not really involved until September 2004). There were no KPIs and Don and I talked about bringing a group in. I wanted to measure culture in safety.

Don/Gabe/Telos helped to implement the 1000 day goals as well as the "Bold Goals." They had three (3) safety KPIs, all lagging indicators.

Q: Did you agree with Telos conclusions?

A: Nothing surprised me. I had seen much of this or had viewed it as generally correct. Not a lot of specifics but the broad concerns I agreed with. For example, on policies and procedures, some said they were complicated. In my view, some had problems with policies and some did not. There was a lot of confusion about how we did training. Much is VTA now, and not face-to-face. I did something about that right away. Telos pointed out there were some issues about supervisors mistreating some employees. So we called all supervisors into a one day session at Moody Gardens -- the slide show and a movie on a disaster. That was needed to change the relationships with employees, hold persons responsible for following procedures, etc. This presentation was given to the Union leadership. And we introduced the "Just Culture" during these discussions. This was done December/January time frame. Also used this to get employees to participate in Telos process. We got about 55% of the employees to respond.

Inspection department had been depleted. Appointed Mark Polittle to head inspection, and put it in maintenance. It was in Site Services. We had a lot of work to do. Most units were behind schedule. Relying on contractors to help with routine inspections.

When Don came in, started the Piping Integrity Program to help improve leaks and clamps. We hired new inspectors to help with the improvement process.

Q: Ever consider shutting something down?

A: Did consider this and when we had solid evidence, we'd shut something down to replace thin pipe. Culture was used to using clamps to keep things running. We were trying to change that practice. We were trying to get persons to point. We started some change in culture.

Q: Your plan for sustainability?

A: To get the right persons in the right role. Don and his leadership team brought in Telos. In early 2004, there were three MDL teams created. (Normally extended leadership teams only met with Rick once a week, and as a whole, met from time to time. Don had senior leadership team).

There were three teams; I was on the competencies team. We spent two days each week for eight weeks. We came back to senior leadership team with recommendations. We suggested face-to-face training, wanted to create an attitude where training was promoted. Senior leadership teams said we want to take 15 of these as projects for next couple of years. If items were dealt with right away. Asset team -- maintenance. Optimization team -- there was confusion on these roles. Who had authority to start up or shut down a unit.

Cost pressures before 2000. Management was trying to move to self-directed work teams. We had a severance plan for supervisors. Tried to get a new process operation position going with both inside and outside work. Supervisors felt they were not

respected. I worked on alignment team -- we broke up hi-pro and the split between asset and optimization. Created the shift director position.

Rudy: So a system was set up where decisions should be made before March 2005. Shift director was established along with shift meeting at 7 a.m./7 p.m. Shift directors reporting to Don Parus. That was done to create sense of importance, to have clout with operation superintendents. We had a 30 day training program at College of Mainland to train them to be shift directors. They started by reporting to Rick Hale, then later to Don. Even Rick Hale was trained.

When we met with Union, they listened except to the just culture model.

Does Union feel responsible for what happened? On the surface no, but I think everyone bears some accountability and I think Union has some accountability--they object to things, oppose accountability for individual actions. Union was allowed to foster an environment where contractors were not respected.

Don tried to change things with the Union. Gave them optimism. Stayed in his office rather than looking over their shoulders. He had respect out there, was close to them. Compared to George Carter and Lee Valentine.

Question about trailing siting. Rudy describes what we know at this point.

Q: Can you explain PSM overview.

A: There are some key questions in the process. Someone in PSM is to review the document (the Process Hazard Assessment Leader – PHA). I don't think the documents got to one of the PSM PHA leaders, a breakdown in process.

Q: Were you involved in clean streams?

A: No.

Q: When you took over HSSE, any plan?

A: Don knew I didn't have experience, but I had a passion for HSSE issues.

Q: Where did you get support?

A: Paul Kaufman at that time on PSM, I don't think PSM was in HSSE throughout R&M. We thought it belonged in HSE at Texas City. Between September and March, I had to work in getting the HSSE department back and running. Joe Robins, best employee, left to go Innovene, and his assistant, Stacy, also left. She wanted to move with Joe R. On environmental side, Randall--left to go to Chocolate Bayou.

Q: Was there an MOC for people who left?

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A: Not really. I lost a lot of horsepower in HSSE area. I had to replace the Safety Director, the Security Director. A complaint about HSSE was to get it visible out in the field. Shift leader -- Glen Borah on days March 25. He told me he was not aware of start up and tank ____ superintendent said don't start up as there is no room for raffinate in the tanks. Started Wednesday afternoon weekly superintendents meeting after incident. There was a meeting each Monday 3:00 as well before the incident, but it conflicted with the Leadership Team meeting.

Colin is focusing on the future. Doing JMW training and that is positive. A lot of tired people there who worked a lot of hours. Engineering community is very stressed right now. People are starting to leave. Colin is bringing a share of optimism. People are worried we are going to sell it.