

**INTERVIEW SUMMARY OF WILLIE (KERRY) WILLIS  
TAKEN ON JUNE 8, 2006  
LANCASTER HOTEL IN HOUSTON, TEXAS**

On June 8, 2006, the Management Accountability Team interviewed Willie Willis, Manufacturing Manager, TXC. The participating team members were Bill Bonse, Rudy Blyweert, Stephanie Moore and Jeff Heller. Mr. Bonse was the primary interviewer. The interview lasted approximately four hours. Margene Westlund took minutes of the interview and prepared this summary. Mr. Willis has not reviewed this summary.

Mr. Bonse advised Mr. Willis that the purpose of the interview was to determine culpability as it relates to the March 23 incident.

Mr. Heller advised Mr. Willis that the interview was confidential, but was not protected under the attorney client privilege doctrine.

**BACKGROUND**

Mr. Willis started as an hourly operator in 1979 at Cherry Point. He held various jobs there, such as safety representative, maintenance coordinator, emergency response, training programs, etc. Mr. Willis fell in love with refining and never finished his pharmaceutical degree. Most of his career was dominated by operations. Eventually he became a foreman, a shift superintendent, an operations superintendent, a process manager and eventually an operations manager in 2000.

In September/October of 2002, Mr. Willis came to TXC to work on the transformation project that resulted from the VEBA study. Pat King asked Mr. Willis to come to TXC to work on the VEBA assessment and the SHIS concept. The transformation team looked at procurement, absenteeism, etc. to develop practices around these items. No one was using the value chain. The SHIS leadership team was Don Parus, Rick Hale and Alicia. Mr. Willis started working on what the SHIS should look like. Mr. King and Mr. Willis needed to know the SHIS strategy before the transformation project could go forward. After this project was put on hold, Mr. Willis became the MDL for the West Plant. Today there is no West Plant. It has been redesigned. At that time, Richard Peltier had some of the Aromatics and ISOM and Mr. Willis had the rest of the West Plant.

**MDL POSITION**

Mr. Willis transitioned into Bob Smith's job in September 2003 as a MDL. The job was posted, but Mr. Willis was the preferred candidate. There were no special requirements on the job posting. Mr. Willis had a deep background in operations and had the fundamentals to do the job. He was qualified based on his 25 years of operational experience at Cherry Point and at TXC. People believed Mr. Willis was capable because of his operations experience.

Rick. Hale and Mr. Willis discussed whether or not there should even be a job posting. Mr. Willis thought the job should be posted to show what other candidates are interested for the future.

## **FORMAL TRAINING**

Mr. Willis attended the Wharton Development Program in 2003 and he also attended other leadership development classes. Mr. Willis was assessed in the ARCO leadership program and the plan was to make him a refinery manager. Mr. Willis did not want to do anything else. Accordingly, he did not move into any other type roles. Mr. Willis was not a chemical engineer. He did some design work and was a project manager on a crude unit expansion at Cherry Point. He also participated in some other areas of analysis, but had no formal training.

## **HANDOVERS**

Mr. Willis spent a couple of weeks with Mr. Smith during the handover period. Mr. Willis had a pretty good understanding of the ULC complex from his transformation project. He completed his MOC. He had collected information after Mr. Smith left such as how to navigate in the systems. He had some learning to do on the systems and culture. The MOC process was not that disciplined in that review of incidents was not discussed. It could have been better. Mr. Willis agreed that it was strange that not one person mentioned the previous fatalities. Mr. Willis is dedicated to stay at TXC his entire career. He wants to make it right and that takes someone with instrumental knowledge. The BP model does not promote this. There needs to be continuity.

## **STANDING AGENDA**

Mr. Willis had a standing quarterly agenda that dealt with safety, environment, financial and people. This originated out of the SHIS journey.

## **PERFORMANCE CONTRACT**

Mr. Willis inherited Mr. Smith's performance contract. Mr. Smith would refresh it every month. Mr. Willis started looking at things like HSSE metrics and had audits done on the hot permits. While Mr. Willis checked the contract as green, he wanted to know how they were performing. He started looking at how many overdue inspection requests he had. Mr. Willis brought someone in to do the management information to keep track of the action items and what they were doing. It took him a while to navigate through the systems. However, he understood operations and how it worked. If questions, he would talk to the operators.

## **THE STATE OF AFFAIRS OF TXC WHEN MR. WILLIS TOOK OVER**

Mr. Willis' performance contract was green, but there was a lot of red under the green. He looked at all the over due items. There were 800 overdue PSBs in the plant. Mr.

Willis put a plan together to get the plant back in compliance. The plant could have been shut down. Rick Hale knew the state of affairs of the plant and in leadership discussions between Mr. Hale and the MDLs this was raised. Everyone at the plant knew the underlying issues. Pat King addressed some of the infractions such as the fire water systems, asbestos abatement and painting. There were a number of conversations regarding the current state of affairs of the plant such as PSM, overdue PSBs, the inspection program and processes.

Today, it appears the pace was not right. However, the agenda was for the most part right. While they were working on safety and culture, PSM was missing from the agenda. Mr. Willis is not sure that anyone would have raised the issue about the blow down stacks.

### **TELOS REPORT**

In response to the incidents in 2004, the Telos study was launched to understand the culture as it related to risk. There was a tolerance of risk that Mr. Willis did not understand. People at the plant took risks. A big concern was process safety—inspection renewal program. That came to light when they were working on the Ultraformer 3. They hired a new inspection manager to implement the inspection renewal program across the site.

### **DISCUSSIONS WITH MR. HOFFMAN RE: TXC ISSUES**

Mike Hoffman did not have quarterly reviews. Mr. Hoffman visited the plant once or twice a year. When SHIS was there, Mr. Willis was not on that leadership team. He was on the refining leadership team. Mr. Willis knew Mr. Hoffman socially, so they would talk socially. Mr. Hale and Mr. Willis had conversations. Mr. Willis got the backlog down at the West Plant by the time he left.

### **REPORTING RELATIONSHIPS**

Mr. Willis believed that Mr. Hale reported to Pat Gower, but Mr. Hoffman may call Mr. Hale on certain issues. Mr. Hoffman identified the need for span breakers. They had not formalized the quarterly review process with Mr. Gower, like CJ Warner had been doing. Mr. Willis was doing his own quarterly reviews. Everyone knew Mr. Willis' agenda. Mr. Gower is now doing QPRs. Mr. Willis thought Mr. Parus reported to Mr. Gower.

### **DISCUSSIONS WITH MR. PARUS RE: TXC CONCERNS**

Mr. Willis' issues were being addressed. In 2004, when they were dismantling the SHIS, they moved the TXC reinvestment strategy and moved Mark Politte into the inspection manager role. Mr. Willis was most concerned with piping integrity. The Ultraformer 4 incident showed some disturbing behaviors in inspection. TXC hired its own inspectors and Mr. Politte. These concerns were raised with Mr. Parus at the leadership team project meetings.

## **HANDOVER**

The handover of the ISOM unit from Rich Peltier to Mr. Willis was not structured like it should have been. Mr. Willis met with Bill Ralph. Mr. Willis also spoke with Ray Hawkins regarding his agenda. Mr. Willis also went out to the ISOM unit with a mechanical engineer. He also sat down with the crew and chatted. Mr. Willis did not review the qualifications of his crew, but he looked at Mr. Hawkins qualifications. Mr. Willis talked to Mr. Hawkins about his experience. Mr. Willis knew Mr. Hawkins' capabilities and competencies. He did not look underneath Mr. Hawkins. Mr. Hawkins had concerns about his ability to manage because of costs. Mr. Willis said to focus on people, safety, environment, availability, and financial performance. Mr. Willis does not believe Mr. Hawkins would have tolerated knowing about the blow down stacks and the vapors going down. Actually, everyone wished they would have known. Mr. Willis did not know that Larry Davidson was not qualified on the ISOM complex.

## **MARCH 23 INCIDENT**

Mr. Willis noticed there was a TAR scheduled, but it had not been fully scoped. He said TARS come down to cost, safety and scheduling. This was the TAR that was scheduled for early 2005 that led to the ISOM shut down. Mr. Willis sent out quarterly satisfaction surveys in the West Plant and over time his points were raised by 15%. On March 23, they finished the ARU and AU2 TARs. The TARs had not started out great, but finished fine and there was a celebration at the end. Mr. Willis was trying to get TXC to be a great place to work, but the employees went through stages of apathy.

Mr. Willis does not understand why people saw vapors coming out of the stacks 40 minutes before the explosion and did nothing. They did not understand that by opening up the bypass, you would only get vapors. Gary Schultz asked why vapors were coming out and people responded "it happens". Apathy is the key word for the culture at TXC.

## **CONVERSATIONS WITH MR. HAWKINS**

Mr. Willis continued to tell Mr. Hawkins to do the right thing and that he would take care of something if it was not in the budget. Everyone was worried about the budget. Mr. Hawkins did not understand Mr. Willis' top list of priorities.

Mr. Willis talked to Mr. Hawkins about the contractor who died in a tower in the fall of 2004. Mr. Willis told Mr. Hawkins that they were responsible for establishing the conditions under which people work and if someone can not work safe or do the job right, then they should not be there. They discussed the pump out system project and other environmental issues, along with people safety issues.

## **TRAINING**

A consultant was brought to help with training and updating manuals. Mr. Hawkins had responsibility for the ISOM complex. The training program started with the ARU (A&B) units and finished with the NDU unit. The TDS consultant was brought in to ensure that the training materials matched the procedures manual. Mr. Willis asked Mr. Hawkins to breakdown his training program into two categories (emergency shut down and procedures review) and to practice these things during the gun drills. Currently, Mr. Willis has training in his job. He does the pass/fail training.

## **RAY HAWKINS**

The employees were not competent to do the job on March 23. Mr. Hawkins told Mr. Willis that he did not realize that they were venting this stuff into the atmosphere on start ups. Training on basics appeared to be an issue in the ISOM complex. Mr. Willis thought Mr. Hawkins was competent to run the job. Mr. Willis does not know why Mr. Hawkins did not tell him about the problems. Mr. Hawkins did not know they were doing the blow down stack. Mr. Hawkins came up through the ranks. Mr. Hawkins understood the complex well and was considered one of the best trainers. Mr. Willis discussed his expectations with Mr. Hawkins. Mr. Hawkins told Mr. Willis they were going to shut down the raf splitter as part of the ISOM shut down. In 2003, they did a TAR and did not change the catalyst, so now it was decided to change it out in 2005. This had to be done carefully because of the nitrogen. This was an outage to change the catalyst.

## **DECISION TO SHUT DOWN ISOM**

The ARU was coming down as part of a scheduled TAR. Because there was no feed to AU2, then the ISOM was affected, and that drove the decision to change the ISOM catalyst. There is a TAR steering committee for the plant that looks at all the interdependency of the units. Mr. Hawkins told Mr. Willis that some block valves were leaking and wanted to fix those during the ISOM shut down.

Mr. Willis and Mr. Hawkins discussed how well they were prepared for the ARU TAR. Mr. Hawkins would handle ARU and Charlie Logan would handle ISOM and AU2. Mr. Willis did not discuss Mr. Logan's competencies. They discussed whether this was a good opportunity to step up Mr. Logan. This area had a practice of stepping up personnel through the ranks. Mr. Willis was not sure that Mr. Logan could become a superintendent.

Mark Richards, Mr. Hawkins and Mr. Logan all reported to Mr. Willis for that short period of time. Mr. Richards was the TAR superintendent, but his job was the ULC motorization project. Mr. Richards reported to Mike Gibson. Mr. Richards was working to make sure everyone was needed to do the ULC TAR. Andy McWilliams was the motorization manager reporting to Steve Mars and John Jondle. Mr. Willis had weekly MALT meetings with his direct reports.

## **THE ISOM START-UP/DISASTER**

Mr. Willis knew they were getting ready to start up the ISOM, but he did not know about the raf splitter that day. The normal process is that operations gives the okay to start up the unit. The TAR person (Hawkins for ARU and Logan for ISOM) would have been the one to say "start up". Mr. Willis was on his way out to the unit to check into a plug that came up and was delayed by another matter. It would have been appropriate for Mr. Logan to tell everyone to stay away from the unit when doing a start up. Mr. Logan was fired for poor leadership skills. You also would expect the foreman to be overseeing the procedures. The foreman did not even do a handoff that day. There was a shift directors meeting at 7:00 a.m. that morning. Not one person mentioned that they were starting up. Larry Davidson could have said they were starting up the raf splitter. Mr. Davidson was fired because there were no procedures.

Mr. Willis does not believe that TXC dealt with risk properly. He does not think that people understood the consequences if they broke a rule or didn't follow procedures. One of the failures that day was the discharge of authority. Andy Tenhaaf and Steve Adams understood the unit. Mr. Tenhaaf called Warren Briggs, but he never intervened. Mr. Tenhaaf was fired for insufficient intervention. This was a culture that allowed an employee to make a call and call the other person incompetent and do nothing. Mr. Willis cannot believe that the foreman did not look through the procedure steps. Clearly, this was an apathetic culture, but mainly because concerns were never addressed.

Mr. Willis would have expected the first intervention at the foreman level. The primary reason Scott Yerrel was terminated was because he did not do a handover to Larry. Charlie Logan witnessed this, but never made sure there was proper hand over.

Mr. Willis believed that the Leadership Team ("LT") understood that the culture had to change. He thought the LT was frustrated without investment in capital. They talked about how to manage a refinery running 60 to 70 different types of crude. Mr. Parus did not hold people accountable.

## **WEST PLANT ROLES AND ACCOUNTABILITIES**

Mr. Willis started the West Plant Roles and Accountabilities project because there was no clarity in this area. Mr. Willis' frustration was that if the LT had supported this more, then more people would have participated. Mr. Willis got frustrated trying to push this agenda across the West Plant. He could not hold anyone accountable until everyone understood their roles. Eventually, he had a meeting off site with a larger group of LTs and later conducted work shops for each job and the requisite competencies. The goal was to spread this across the entire site. The people surveys also identified roles and accountabilities as an issue. Mr. Willis also worked with Paula Sharp on pay gap issues. Mr. Willis never finished because of the accident.

## **TAR STEP-UP PROCEDURES**

The foreman is in charge of a unit. If the foreman leaves, then someone is stepped up to fill in. TXC had adopted loose practices on stepping people up for purposes of giving them additional pay. There were too many people in the complex on March 23. Mr. Hawkins asked Mr. Willis if some guys could get some experience and Mr. Willis approved it. Mr. Adams was stepped up that day. Ken was working nights. Mr. Willis agreed to step up Mr. Tenhaaf to keep him happy. Mr. Yerrell, who was the most experienced operator, was on call on the A&B side. Mr. Willis believed that everyone was properly stepped up. However, now the employees are claiming they were "lead" operators, a phantom job classification. It was the responsibility of Mr. Logan and Mr. Davidson to step people up; Mr. Willis would not necessarily know about it.

## **TAR/HOURS**

The practice has been to work straight through a TAR without a day off (possibly 100 days). Currently, employees are required to take every 14<sup>th</sup> day off. The contractors are the same. Mr. Willis does not believe fatigue was an element in the disaster.

## **DISCIPLINE INVESTIGATION**

Mr. Willis and Ms. Lucas worked with the BP attorneys, reviewed witness statements, alarm journals and time lines. They looked at what inactions led to the ISOM incident. They interviewed everyone in the complex. With respect to discipline, Mr. Willis borrowed the "Just Culture" philosophy. Mr. Willis considered that when looking at the results. He considers that the "Willie Willis filter". He does not know if Kathleen Lucas used the just culture philosophy. In terms of discipline, Mr. Briggs was the most obvious. Mr. Adams was next in line because he did not need procedures. Larry Davidson was next for not making relief and never having been qualified on the unit. Mr. Logan was a question mark. Mr. Logan had a chance to intervene on the handover and he did not. That spells lack of leadership on Mr. Logan's part. Mr. Tenhaaf is a tougher call because he called Mr. Briggs, but did not respond and ignored warnings 40 minutes before vapor was released. When they tried to fix the ISOM incident, the explosion happened. If they would not have opened the valve, the explosion would not have occurred.

It was disappointing that Mr. Hawkins did not look at training and performance records. Mr. Willis questions how Mr. Hawkins could have done a performance review for Mr. Davidson when he was not even qualified on the unit. Mr. Hawkins should have set some standards. There were definite failures on Mr. Hawkins part. Mr. Davidson was working for Mr. Logan on ISOM, AR2 and NDU.

## **MOC/TRAILERS**

Mark Richards asked Andy McWilliams who asked Mr. Seele to do the MOC. They needed Mr. Hawkins permission to use the trailers. Mr. Seele did the MOC. Mr. McWilliams put in the database as an NDU which rolled up to Mr. Hawkins and Mr. Logan because those trailers had been placed there before. At that time, you could place

a trailer within 300 feet of a unit without concern. There were a lot of trailers on the unit. Currently, the refinery is plotting every square inch. Mr. Willis did not own property in the West Plant. There was a no-man's land outside the battery limits. Mr. Willis does not know who is accountable for the placement of trailers.

Mr. Willis has some experience with blow down stacks. It would have been better for the vapor to be released in the atmosphere rather than pushing it down the stack.

### **OTHER DISCIPLINES**

Mr. Willis coached and counseled everyone in the unit about procedures. Bubba Harley was also disciplined. Gary Schultz received a written warning. Ms. Lucas told Mr. Willis that he was not being disciplined. There are systemic causes at TXC.

### **WHAT MR. WILLIS WOULD DO DIFFERENTLY**

Mr. Willis would have pushed accountability more with his people. He also would have reviewed training guides and competencies of his direct reports. He also thinks there should have been a more structured management information system. The LT did not focus on fixing things and getting things right. The LT spent too much time on commercial. Mr. Willis' failure was the OSHA recordable rate. It was low, but his PAS scores were high. It did not matter because the real questions that needed to be asked were not asked. Mr. Willis took over in 2003 and 2004 was a bad year. There was the fall in Aromatics; the two September fatalities when changing check valves, the tank farm incident, the construction incident and the guy who had a heart attack and fell in a puddle of water.

### **WHAT SHOULD REFINING DO DIFFERENTLY**

Mr. Willis responded that you either love refining or get out of the business. Mr. Hoffman is committed to running the business. Doug Ford and others thought refining was an unnecessary evil. You need good practices for a sustainable business. You need governance and behaviors, group standards and a social agenda to make the business work.

### **ACCOUNTABILITY**

Mr. Willis states that safety starts at the top. We are all accountable for norms in the plant. We are accountable for what is tolerated and accountable to ensure that everyone goes home safe. TXC did not meet those accountabilities. Mr. Willis has nightmares everyday.

### **INTERVIEW CONCLUDED**