

1 CAUSE NO. 05CV0337  
2 MIGUEL ARENAZA, ELIZABETH ) IN THE DISTRICT COURT  
3 RAMON, DAVID G. CROW and )  
4 JUANITA G. CROW, et al. )  
5 )  
6 VS. ) 212TH JUDICIAL DISTRICT  
7 )  
8 BP PRODUCTS NORTH AMERICA )  
9 INC., B.P. CORPORATION )  
10 NORTH AMERICA INC., DON )  
11 PARUS, AND JE MERIT )  
12 CONSTRUCTORS, INC. ) GALVESTON COUNTY, TEXAS  
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1 CAUSE NO. 05CV0337-A  
2 IN RE: BP AMOCO EXPLOSION ) IN THE DISTRICT COURT  
3 MARCH 23, 2005 )  
4 COORDINATED DISCOVERY ) 212TH JUDICIAL DISTRICT  
5 PROCEEDINGS )  
6 )  
7 ) GALVESTON COUNTY, TEXAS  
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ORAL VIDEOTAPED DEPOSITION OF

DONALD PARUS

VOLUME 1

JUNE 22, 2006

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<p style="text-align: right;">Page 2</p> <p>1 ORAL VIDEOTAPED DEPOSITION OF DONALD PARUS,</p> <p>2 produced as a witness at the instance of the</p> <p>3 Plaintiffs and duly sworn, was taken in the</p> <p>4 above-styled and numbered cause on June 22, 2006,</p> <p>5 from 9:10 a.m. to 5:35 p.m., before Stephanie</p> <p>6 Barringer, Certified Shorthand Reporter in and for</p> <p>7 the State of Texas, reported by stenographic means at</p> <p>8 the offices of Fulbright &amp; Jaworski, 1301 McKinney,</p> <p>9 Suite 5100, Houston, Texas, pursuant to the Texas</p> <p>10 Rules of Civil Procedure and the provisions stated on</p> <p>11 the record or attached hereto.</p> <p>12 Since this deposition has been realtimed and you</p> <p>13 may be in possession of a rough draft form, please be</p> <p>14 aware that there may be a discrepancy regarding page</p> <p>15 and line numbers when comparing the realtime draft</p> <p>16 and the final transcript. Also, please be aware that</p> <p>17 the realtime screen and the unedited, uncertified</p> <p>18 rough draft transcript may contain untranslated</p> <p>19 steno, a misspelled proper name and/or nonsensical</p> <p>20 English word combinations. All such entries are</p> <p>21 corrected in the final certified transcript. There</p> <p>22 also may be persons receiving the realtimed feed</p> <p>23 outside of the deposition room, but the reporter has</p> <p>24 given this access only to known attorneys of record</p> <p>25 and/or their experts.</p>	<p style="text-align: right;">Page 4</p> <p>1 APPEARANCES</p> <p>2 (Continued)</p> <p>3</p> <p>4 FOR PLAINTIFF DAWN PRATER:</p> <p>5 Mr. Loren Klitsas</p> <p>6 Klitsas &amp; Vercher, P.C.</p> <p>7 550 Westcott, Suite 570</p> <p>8 Houston, Texas 77007</p> <p>9 Fax: 713-862-1465</p> <p>10 Telephone: 713-862-1365</p> <p>11</p> <p>12 FOR PLAINTIFFS CARLOS GALAN, LESLIE GALAN,</p> <p>13 JOSE VILLARREAL, HECTOR RODRIGUEZ,</p> <p>14 ELEAZAR CANTU, MARCO FIGEUEIROA,</p> <p>15 LUIS LOPEZ, ELOY RODRIGUEZ, ERNESTO</p> <p>16 VALENCIA, LAMIEL VALLANEUVA, JOSEPH MOISE,</p> <p>17 JESUS LOPEZ, GABRIEL JAIMEZ, EVA RAMIREZ,</p> <p>18 VERONICA RAMIREZ, JOHN RANGEL, JOSE VILLANEUVA:</p> <p>19</p> <p>20 Mr. Randy Sorrels</p> <p>21 Mr. Benny Agosto, Jr.</p> <p>22 Abraham, Watkins, Nichols,</p> <p>23 Sorrels, Matthews &amp; Friend</p> <p>24 800 Commerce</p> <p>25 Houston, Texas 77002</p> <p>Fax: 713-225-0827</p> <p>Telephone: 713-222-7211</p> <p>FOR PLAINTIFFS JAIME ANDREADE, ET AL.:</p> <p>Mr. Brent Coon</p> <p>Mr. Larry Sarten</p> <p>Mr. Eric Newell</p> <p>Mr. Arturo J. Gonzalez</p> <p>Mr. Jason Cansler</p> <p>Brent Coon &amp; Associates</p> <p>3550 Fannin</p> <p>Beaumont, Texas 77701</p> <p>Fax: 409-833-4483</p> <p>Telephone: 409-835-2666</p>
<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES</p> <p>2</p> <p>3</p> <p>4 FOR PLAINTIFFS ADRIAN MENDOZA, ET AL.:</p> <p>5 Mr. John Eddie Williams</p> <p>6 Mr. Chris Dean</p> <p>7 Ms. Margaret Lecocke</p> <p>8 Ms. Mary Raffetto</p> <p>9 Williams &amp; Bailey Law Firm</p> <p>10 8441 Gulf Freeway, Suite 600</p> <p>11 Houston, Texas 77017</p> <p>12 Fax: 713-643-6226</p> <p>13 Telephone: 713-230-2200</p> <p>14</p> <p>15 FOR PLAINTIFFS RHONDA DARLENE HEICKMAN,</p> <p>16 INDIVIDUALLY AND AS DEPENDENT</p> <p>17 ADMINISTRATOR OF THE ESTATE OF RYAN</p> <p>18 RENE RODRIGUEZ:</p> <p>19</p> <p>20 Mr. Trent Bond</p> <p>21 Mr. John Werner</p> <p>22 Mr. Doug York</p> <p>23 Reaud, Morgan &amp; Quinn</p> <p>24 801 Laurel Street</p> <p>25 Beaumont, Texas 77720-6005</p> <p>Fax: 409-833-8236</p> <p>Telephone: 409-838-1000</p> <p>FOR PLAINTIFFS NATHANIEL EARL GRIMES,</p> <p>EVA HENDERSON, LEONARD BOURGEOIS,</p> <p>ROBBIE BOURGEOIS:</p> <p>Mr. Lewis Chandler</p> <p>Ms. Sherry Scott Chandler</p> <p>The Chandler Law Firm, LLP</p> <p>Park Laureate</p> <p>10000 Memorial Drive, Suite 320</p> <p>Houston, Texas 77024</p> <p>Fax: 713-682-9911</p> <p>Telephone: 713-222-7285</p>	<p style="text-align: right;">Page 5</p> <p>1 APPEARANCES</p> <p>2 (Continued)</p> <p>3</p> <p>4 FOR PLAINTIFF ROGER RODRIGUEZ:</p> <p>5 Mr. John W. Stevenson, Jr.</p> <p>6 John W. Stevenson &amp; Associates</p> <p>7 24 Greenway Plaza, Suite 750</p> <p>8 Houston, Texas 77046</p> <p>9 Fax: 713-622-3224</p> <p>10 Telephone: 713-622-3223</p> <p>11</p> <p>12 FOR PLAINTIFFS, ET AL.:</p> <p>13 Mr. Jeff Burke</p> <p>14 The Buzbee Law Firm</p> <p>15 1910 Ice &amp; Cold Storage Building</p> <p>16 104 Moody</p> <p>17 Galveston, TX 77550</p> <p>18 Fax: 409-762-0538</p> <p>19 Telephone: 409-762-5393</p> <p>20</p> <p>21 FOR PLAINTIFFS LESLIE KRENSHAW, CHARLES NICHOLS,</p> <p>22 HUGO NAVARRO, TIMOTHY SMITH, ROBERT DACUS:</p> <p>23 Mr. Daniel B. Linebaugh</p> <p>24 The Linebaugh Law Firm</p> <p>25 1300 Rollingbrook, Suite 601</p> <p>Baytown, Texas 77521</p> <p>Fax: 281-422-2641</p> <p>Telephone: 281-422-0506</p> <p>FOR DEFENDANT DON PARUS:</p> <p>Mr. Judson W. Starr</p> <p>Venable, LLP</p> <p>575 7th Street, NW</p> <p>Washington, DC 20004-1601</p> <p>Fax: 202-344-8300</p> <p>Telephone: 202-344-4886</p>



<p style="text-align: right;">Page 10</p> <p>1 EXHIBITS (Continued)</p> <p>2</p> <p>3</p> <p>4 EXHIBIT DESCRIPTION PAGE</p> <p>5 503 Reduced External Supplier and 312 Materials Usage, BPISOME01846093 through BPISOME01846119</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 12</p> <p>1 gentlemen here. Is he one of your lawyers, too?</p> <p>2 A. That gentleman is Jud Starr, yes.</p> <p>3 Q. Okay. Does he represent you personally</p> <p>4 or does he represent BP?</p> <p>5 A. He represents me personally.</p> <p>6 Q. Why do you have a personal lawyer, if I</p> <p>7 may inquire?</p> <p>8 A. Very early on in a lot of the civil</p> <p>9 cases, I was named personally in the civil cases.</p> <p>10 So I felt I would be best served to seek my own</p> <p>11 personal counsel.</p> <p>12 Q. Let's go back, a little history. As I</p> <p>13 understand it, you are 50 years old, been with</p> <p>14 somebody some 28 years. You are a chemical</p> <p>15 engineer. You have a master's in business</p> <p>16 administration. You are married with six children,</p> <p>17 came to the Texas City refinery April, 2002. Am I</p> <p>18 correct?</p> <p>19 A. A couple of minor corrections. I also</p> <p>20 have a master's in chemical engineering as well.</p> <p>21 Q. Okay.</p> <p>22 A. And I did not come to the Texas City</p> <p>23 refinery in 2002. I came to BP South Houston,</p> <p>24 which were five petrochemical sites in April, 2002,</p> <p>25 Texas City being one of the five.</p>
<p style="text-align: right;">Page 11</p> <p>1 THE VIDEOGRAPHER: On the record</p> <p>2 June 22nd at 9:10 a.m., beginning Tape 1.</p> <p>3 DONALD PARUS,</p> <p>4 having been first duly sworn, testified as follows:</p> <p>5</p> <p>6 EXAMINATION</p> <p>7 Q. (BY MR. WILLIAMS) Would you state your</p> <p>8 name to the jury, please?</p> <p>9 A. My name is Donald Parus.</p> <p>10 Q. Mr. Parus, I am John Eddie Williams. I</p> <p>11 am on the other side of the case taking this</p> <p>12 deposition.</p> <p>13 Have you had your deposition taken</p> <p>14 before?</p> <p>15 A. In this case, no, I have not.</p> <p>16 Q. No, sir, I didn't ask you in this case.</p> <p>17 Have you had it taken before,</p> <p>18 though, in other cases?</p> <p>19 A. I have given a deposition 15 plus years</p> <p>20 ago probably in an employment case in a role I had</p> <p>21 around a discharge. So I have given a deposition</p> <p>22 before.</p> <p>23 Q. It looks to me like you've got three</p> <p>24 lawyers here with you today, Mr. Galbraith,</p> <p>25 Mr. Fernelius, and I have not met the other</p>	<p style="text-align: right;">Page 13</p> <p>1 Q. Thank you.</p> <p>2 In April of 2002, you came and</p> <p>3 took charge of a group of five facilities, one of</p> <p>4 which was the Texas City refinery?</p> <p>5 A. I would characterize take charge a little</p> <p>6 differently. Each of the sites at that time had</p> <p>7 their own plant manager and reported up through</p> <p>8 their respective organizations, one being in the</p> <p>9 refining segment, one being in the chemical</p> <p>10 segment. My role in 2002 of April was to provide</p> <p>11 integration value in these five sites.</p> <p>12 Q. Were you in charge of the five sites</p> <p>13 called the South Houston complex when you were</p> <p>14 transferred here in April of '02?</p> <p>15 A. I was in charge of the integration value</p> <p>16 of those five sites, not in charge of the five</p> <p>17 sites.</p> <p>18 Q. What the hell does "integration value"</p> <p>19 mean?</p> <p>20 A. The five sites --</p> <p>21 Q. No, integration value.</p> <p>22 A. I am getting to that.</p> <p>23 The five sites' integration value</p> <p>24 means I provided services to all of those five</p> <p>25 sites, and then I would optimize the hydrocarbons</p>

4 (Pages 10 to 13)

<p style="text-align: right;">Page 14</p> <p>1 that some sites produced and consumed. And I also  2 would work on sharing best practices between the  3 sites.  4 Q. Does that include safety?  5 A. I did not have funding for safety at that  6 time but accrued monitoring personal safety. The  7 funding for the sites came up through the plant  8 managers.  9 Q. Your corporate -- I don't have an MBA.  10 So you are going to have to speak down to me, quite  11 frankly. My question is pretty simple, I thought.  12 Were you in charge of safety at  13 the five sites when you came and were transferred  14 here in April of 2002?  15 A. I was accountable for safety of the five  16 sites.  17 Q. What does that -- now, I got to be  18 precise with an MBA, since you have an MBA and I  19 don't.  20 "Accountable," does that mean you  21 were in charge?  22 A. It was a --  23 Q. Is that the same thing?  24 A. It was a complicated -- it was a complex  25 set up.</p>	<p style="text-align: right;">Page 16</p> <p>1 2003, I was in charge of both the Texas City  2 refinery and the operations of the Texas City  3 chemical plant.  4 MR. GALBRAITH: March of '05?  5 MR. WILLIAMS: Objection,  6 nonresponsive.  7 Q. (BY MR. WILLIAMS) My question is, sir:  8 March of 2005, were you in charge of the Texas City  9 refinery? Yes or no?  10 A. I was in charge of the Texas City  11 refinery in March of 2005.  12 Q. Were you responsible for safety in March  13 of 2005?  14 A. Yes, I was -- had responsibility for  15 safety.  16 Q. Were you the top guy at the Texas City  17 refinery in March of 2005?  18 A. Yes, I was the top guy at the site in  19 March of 2005.  20 Q. What's a BUL?  21 A. A BUL is a BP term standing for business  22 unit leader.  23 Q. Who was the BUL March, 2005?  24 A. Of?  25 Q. Texas City refinery.</p>
<p style="text-align: right;">Page 15</p> <p>1 Q. Well, who was in charge --  2 A. I was --  3 Q. -- then? Let me go at it that way.  4 Who was in charge of safety for  5 those sites starting --  6 A. Each --  7 Q. -- in '02?  8 A. Each plant manager was in charge of the  9 safety for those individual sites. It wasn't --  10 Q. But you weren't in charge of the five  11 plant managers, were you? Or were you?  12 A. The five plant managers did not report  13 directly to me.  14 Q. Okay.  15 A. The plant manager, for example, at Texas  16 City refinery reported and got refining guidance  17 from Pat Gower, the regional vice president.  18 Q. Well, let's go at it a different way.  19 There was some restructuring after  20 you came in April of 2002 and what I am really  21 concerned with is March of 2005; and is it true  22 that in March of 2005 you were in charge of the  23 Texas City refinery, right?  24 A. The job evolved since April of 2002; but  25 to specifically answer your question, in March of</p>	<p style="text-align: right;">Page 17</p> <p>1 A. In March of 2005, I was the BUL of the  2 Texas City refinery.  3 Q. Were you the most visible management  4 person at that plant?  5 A. I am not sure I fully understand your  6 question, Mr. Williams.  7 Q. Well, if they -- if somebody walked into  8 that plant and said, "Take me to your leader.  9 Who's in charge," if aliens invaded, would they  10 bring them to you, the BUL?  11 MR. GALBRAITH: Objection, form.  12 Q. (BY MR. WILLIAMS) As the man in charge?  13 A. In March of 2005, I was the BUL of the  14 Texas City refinery.  15 Q. And how long had you been the BUL of the  16 Texas City refinery? When did that start?  17 A. I picked up the BUL role in addition to  18 the site director role in June of 2004.  19 Q. So before June, 2004, you were -- you  20 were site director?  21 A. That is correct.  22 Q. Now, let us know what site director --  23 well, who was the site director in March of '05?  24 A. There was no site director in March of  25 '05 because the company spun off some of the</p>

5 (Pages 14 to 17)

<p style="text-align: right;">Page 18</p> <p>1 process plants to a separate company. The Texas --  2 the South Houston site went from the integrated  3 site into two separate companies.  4 Q. Okay. Well, let's go back, then.  5 You had been site director for a  6 while. Then you were a BUL. And when did you  7 first become the top guy responsible for safety at  8 the plant?  9 A. I would best describe that as it was  10 really an evolution of three roles. The first  11 role --  12 Q. Just when was the first question, and  13 then we will get to the evolution, please.  14 A. Can you repeat your question, then,  15 Mr. Williams?  16 Q. When did you become the top guy in charge  17 of safety at the Texas City refinery?  18 A. In early June of 2004.  19 Q. Who had that -- who was the top  20 businessman in charge of safety before June of '04?  21 A. The BUL or business unit leader before  22 2004 was Rick Hale.  23 Q. When did you first become familiar with  24 the Texas City refinery? Would that be when you  25 became site director in 2003?</p>	<p style="text-align: right;">Page 20</p> <p>1 there is -- if you want to go to the highest level  2 for a spokesman for British Petroleum, you go to  3 Lord Browne, right?  4 MR. GALBRAITH: Objection, form.  5 A. Lord Browne is the highest ranking  6 position for BP.  7 Q. (BY MR. WILLIAMS) Lord Browne told the  8 press some seven days ago on June 15th that, quote,  9 We had a broken safety record at BP, close quote.  10 Are you -- are you here to agree  11 or disagree with Lord Browne?  12 A. That is a very general statement. I  13 disagree with some aspects of that statement, but  14 it could apply.  15 Q. Do you agree with any aspects of it?  16 A. The incident did occur in March, which  17 would indicate things -- some things were wrong.  18 However, prior to the incident, many things were  19 moving in the right direction regarding safety.  20 MR. WILLIAMS: Objection,  21 nonresponsive.  22 Q. (BY MR. WILLIAMS) Okay. Let's dissect  23 what Lord Browne says to the press and the world.  24 He says, "We had a broken safety record at Texas  25 City."</p>
<p style="text-align: right;">Page 19</p> <p>1 A. I actually became site director in 2002.  2 Q. Thank you for correcting me.  3 Would that be the time that you  4 first became familiar with that plant?  5 A. I had -- I had visited the plant on  6 occasions before that but never had worked at the  7 plant prior to April of 2002.  8 Q. Okay. Is it fair to say that in April of  9 2002 you started learning about the culture of the  10 Texas City refinery, right?  11 A. It would be fair to say I learned some  12 aspects of its culture starting in April of 2002.  13 Q. Who is Lord Browne?  14 A. Lord Browne is the chief executive  15 officer for BP corporation.  16 Q. He is the top of the top of the top.  17 There is nobody higher than Lord Browne, is there?  18 A. No, sir.  19 Q. And Lord Browne lives in London, right?  20 A. I believe so.  21 Q. You know Lord Browne, don't you?  22 A. I have met Lord Browne on several  23 occasions.  24 Q. Okay. Lord Browne, when he speaks, he  25 speaks for British Petroleum, doesn't he? I mean,</p>	<p style="text-align: right;">Page 21</p> <p>1 Can you agree with any aspect of  2 that statement?  3 A. The statement is just, Mr. Williams, too  4 general for me to agree with in total. I am not  5 sure what he meant by that.  6 Q. I am not either, but I am asking you not  7 in total. Is there any aspect of it?  8 I mean, will you acknowledge in  9 any way that Lord Browne was correct in saying that  10 we had a broken safety record at that facility?  11 MR. GALBRAITH: Objection, form.  12 Q. (BY MR. WILLIAMS) Can you acknowledge it  13 in any way?  14 MR. GALBRAITH: Objection, form.  15 A. I am not aware of what Lord Browne meant  16 by that statement. So I just don't want to  17 interpret or try to put words in his mouth what he  18 meant.  19 Q. (BY MR. WILLIAMS) Okay. I am going to  20 make the statement.  21 You had a broken safety record at  22 Texas City refinery. Agree or disagree, Mr. Parus?  23 A. I would disagree with that statement.  24 Q. Okay. So that now we know that you  25 disagree that there was a broken safety record</p>

6 (Pages 18 to 21)

<p style="text-align: right;">Page 22</p> <p>1 there, how many deaths have there been at the Texas 2 City refinery? 3 A. Over what period time period, sir? 4 Q. Since it started. 5 A. I do not know that answer. 6 Q. Well, what's the best -- give me -- you 7 know you are under oath to give me the most 8 complete answer you can. 9 So what's -- what is your 10 knowledge of how many deaths that you are aware of? 11 A. Over a 30-year span, I am aware there 12 were 23 fatalities over a 30-year span. 13 Q. Wait a minute. You are under oath, sir. 14 MR. GALBRAITH: Objection, form. 15 Q. (BY MR. WILLIAMS) I asked you how many 16 fatalities at that facility and you are telling me 17 23? 18 A. Prior to the March incident. 19 Q. Oh, you left the March incident out? 20 A. No, you asked me the history of it. 21 Q. No. You left the March incident out, 22 didn't you, sir? 23 A. I did not include the March incident in 24 the numbers I stated. 25 Q. So let's go back.</p>	<p style="text-align: right;">Page 24</p> <p>1 Q. Okay. What keeps it from being as Lord 2 Browne and John Eddie Williams say, that it's a 3 broken safety record? 4 A. The reason I disagreed with your 5 statement is I don't understand what you mean by 6 "broken." If you want to be more specific and ask 7 specific questions, I gladly would answer them. 8 But "broken," I mean, I would 9 describe it as, from a fatality lens, it was a 10 poor, a very poor safety record. 11 Q. Okay. 12 A. I am disagreeing with the choice of 13 words. 14 Q. So we have gotten it to a very poor 15 safety record? 16 A. Looking through the fatality lens. 17 Q. Well, let's continue to look because do 18 you know of a better ultimate measure than how many 19 people you kill? 20 A. Safety, you can look through many lens. 21 That is a very important one. 22 Q. Do you -- my question -- no, sir. Again, 23 I don't have an MBA. So we may have trouble 24 communicating. 25 Do you know of a more important</p>
<p style="text-align: right;">Page 23</p> <p>1 You were aware, then, of how many 2 fatalities at that plant in the past? 3 A. Prior to the March 23rd incident, I was 4 aware of 23 fatalities over a 30-year spread. 5 Q. I am sorry. I don't have an MBA, so I am 6 going to make it -- try and make it simple. 7 How many deaths are you aware of 8 at the Texas City refinery in its history? 9 A. 30 years would be 23 plus the 15 on the 10 23rd would make it -- would make it 38 fatalities 11 over a 30-year spread. 12 Q. 38 fatalities over a 30-year spread is 13 what you are aware of, correct? 14 A. Correct. 15 Q. Okay. So we are going back to this 16 statement that it did not have a broken safety 17 record. 18 Is that a good safety record from 19 your perspective, 38 fatalities over 30 years? 20 A. From my perspective, that would not be a 21 good safety record. 22 Q. Is that a -- well, is it a good safety 23 record or an average safety record? 24 A. If you are looking through safety and 25 fatalities, it is a poor safety record.</p>	<p style="text-align: right;">Page 25</p> <p>1 indicator of the safety of a plant than the number 2 of people that have been killed at that plant? 3 A. No, sir. 4 Q. That is the most important safety record 5 to look at is the number of people killed, right? 6 A. Yes, sir. 7 Q. And your plant, Texas City refinery, had 8 38 deaths in 30 years. And my question is: Do you 9 know of any plant, any refinery in America, that in 10 that same time period came close to killing that 11 many people? 12 A. I am not aware of any because I don't 13 know the data. 14 Q. As far as you know, that is the worst 15 safety record in America, correct? 16 A. I don't know the record of other plants. 17 That's why I am not answering your question that 18 way. I do not know the records of other plants. 19 Q. See, that's my problem. You shared with 20 us that it is the most important indicator of 21 safety, yet you don't know what the other plants in 22 America -- you didn't know how your plant stacked 23 up against other plants in America. 24 Is that correct? Is that what you 25 are trying to tell us?</p>

7 (Pages 22 to 25)

<p style="text-align: right;">Page 26</p> <p>1 A. All plants, I did not know that 2 information. 3 Q. Did you ever try and look? 4 A. I did not ask that question. 5 Q. Well, if that's the most important safety 6 record, why would you not -- or the most important 7 safety indicator, well, why wouldn't you ask that 8 question is what we want to know? 9 MR. GALBRAITH: Objection, form. 10 A. I asked the question at the Texas City 11 site. 12 Q. (BY MR. WILLIAMS) Yeah. 13 You never asked to compare 14 yourself with other plants to see if you are 15 killing more or less than other plants? 16 A. I did not. 17 Q. Okay. And my question is: Why? 18 A. I was focused on improving the Texas City 19 site. In my mind, a fatality is unacceptable. If 20 others had been better or worse, it wouldn't change 21 my views at the site. 22 Q. So you were going to stick with your plan 23 no matter what? 24 A. I was -- 25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 28</p> <p>1 A. I don't know -- 2 MR. GALBRAITH: Objection, form. 3 A. I don't know if somebody asked that 4 question or not. I am not aware of it. 5 Q. (BY MR. WILLIAMS) So if you were the 6 worst plant in America, had the worst safety record 7 as far as deaths in America, would that be more 8 alarming than to say that "we are industry 9 average"? 10 A. It would be more alarming. 11 Q. Do you know of any plant in America that 12 had a worse fatality record before the fire and 13 explosion than yours? 14 A. I did not know the data, so I can't tell 15 you I knew of a plant that was worse than Texas 16 City. 17 Q. Now, did you have the power to shut down 18 the plant? 19 A. I had the power to shut down the plant. 20 Q. You had the power to fire people? 21 A. I had the power to fire people for the 22 right cause. 23 Q. You had the power to hire people? 24 A. I had the power to hire people. 25 Q. What was the value of this plant that you</p>
<p style="text-align: right;">Page 27</p> <p>1 A. Which plan, sir, Mr. Williams? 2 Q. (BY MR. WILLIAMS) Well, you said -- if I 3 understood you, you said knowing how your plant 4 stood up against other plants was not important to 5 you because you were going to stick with trying to 6 improve it no matter what, right? 7 A. I would stick to driving the fatalities 8 to zero was my plan. 9 Q. Yeah. And my point is: There is some 10 people, perhaps, on the jury that think like I do 11 that maybe you want to know the depth of the 12 problem, the breadth of the problem, how 13 significant the problem is in order to know what 14 resources to apply to the problem and you might say 15 and want to know, "Gosh, this is -- we are industry 16 average, we are above average or below average." 17 But you didn't -- you chose not to 18 find out if you were above average or below 19 average, right? Correct? 20 A. In that metric, that is correct. 21 Q. And do you know anybody at BP that ever 22 stopped to ask the question: Is the Texas City 23 refinery below industry average or above industry 24 average with regard to the number of people we're 25 killing?</p>	<p style="text-align: right;">Page 29</p> <p>1 were entrusted with? 2 A. I'd estimate it at about a billion and a 3 half capital employed. 4 Q. Is that, I mean, 1.5 -- 5 A. 1.5 -- 6 Q. -- billion dollars -- 7 A. -- billion dollars capital employed. 8 Q. Well, that means \$1.5 billion was 9 entrusted to you, that asset at that plant, right? 10 A. That is correct. 11 Q. That plant was profitable, wasn't it? 12 A. In some years. 13 Q. Well, let's -- let's in -- let's take 14 2005. That plant was printing money, wasn't it? 15 A. I don't even know what the plant made in 16 2005, Mr. Williams. I left -- 17 Q. Let's take January of 2005. That plant 18 was printing money, wasn't it? 19 A. The first quarter of 2005 numerous units 20 were down, so I would not characterize it in 2005 21 as printing money. 22 Q. Now, you are using MBA on me. I asked 23 about January and you asked about -- and you 24 answered first quarter. 25 Why did you not -- why did you</p>

8 (Pages 26 to 29)



<p style="text-align: right;">Page 30</p> <p>1 avoid answering January?</p> <p>2 A. I don't know January's number.</p> <p>3 Q. You really don't?</p> <p>4 A. No, I do not. I just don't recall it.</p> <p>5 Q. Okay. True or false question.</p> <p>6 In January of 2005, that plant was</p> <p>7 simply printing money?</p> <p>8 A. I do not know, so I cannot answer true or</p> <p>9 false.</p> <p>10 Q. How much was it making in January of</p> <p>11 2005?</p> <p>12 A. Again, I do not know that number at this</p> <p>13 stage.</p> <p>14 Q. No -- give us an estimate, sir.</p> <p>15 A. I can't even give you an estimate. I</p> <p>16 know 2004 numbers. I do not know the 2005 numbers.</p> <p>17 I just don't recall.</p> <p>18 Q. Well, maybe I can refresh your memory,</p> <p>19 sir. I will show you a document.</p> <p>20 MR. WILLIAMS: Let's mark that,</p> <p>21 please. What would the number be?</p> <p>22 (Exhibit Number 495 marked for</p> <p>23 identification.)</p> <p>24 Q. (BY MR. WILLIAMS) 495, and this document</p> <p>25 is to -- you see it's marked 3/18/2005. That's</p>	<p style="text-align: right;">Page 32</p> <p>1 am trying to be very precise.</p> <p>2 Were you printing money in 2005?</p> <p>3 A. I do not know that.</p> <p>4 Q. Again, let me look at your memo here; and</p> <p>5 it goes down to say -- these are -- this is a memo</p> <p>6 you wrote that says, "The refinery made nearly</p> <p>7 \$100 million in profit in January alone."</p> <p>8 A. Now, I know the number. Now, I remember.</p> <p>9 MR. GALBRAITH: Could you let him</p> <p>10 see the memo?</p> <p>11 MR. WILLIAMS: Yeah.</p> <p>12 MR. GALBRAITH: Please.</p> <p>13 MR. WILLIAMS: It is -- I will</p> <p>14 give you the ISOM number, and you can look at it.</p> <p>15 But here. It's right here, Jim.</p> <p>16 MR. GALBRAITH: All I am asking is</p> <p>17 that --</p> <p>18 MR. WILLIAMS: Jim, don't</p> <p>19 interrupt.</p> <p>20 MR. GALBRAITH: Well, if you are</p> <p>21 going to ask him questions about that, I think he</p> <p>22 ought to at least be able to look at it besides the</p> <p>23 paragraphs that you are showing on the board.</p> <p>24 MR. WILLIAMS: Thank you. I</p> <p>25 appreciate your comment.</p>
<p style="text-align: right;">Page 31</p> <p>1 March 18th.</p> <p>2 It's about five days before the</p> <p>3 fire and explosion we are talking about in this</p> <p>4 case, right?</p> <p>5 A. Yes, sir.</p> <p>6 Q. And it says -- I see up there to Kilgore,</p> <p>7 William R; and the second name it is to is Parus,</p> <p>8 Donald L. Is that you?</p> <p>9 A. That is me.</p> <p>10 Q. And if we look down here, it is in</p> <p>11 response to a memo from Don Parus. Is that you?</p> <p>12 A. It's isn't focussed.</p> <p>13 Q. That's from you, March 17th, right?</p> <p>14 A. That is correct.</p> <p>15 Q. Okay. In that memo, let's look at the</p> <p>16 second page of your e-mail. And it says, "The</p> <p>17 Texas City site undoubtedly experienced the best</p> <p>18 profitability ever in history last year."</p> <p>19 That would have been 2004, right?</p> <p>20 A. That is correct.</p> <p>21 Q. Y'all were printing money, weren't you?</p> <p>22 A. You asked me the question as to what the</p> <p>23 profit was in January, and I responded I did not</p> <p>24 know if we were printing money in January.</p> <p>25 Q. I am asking you -- please focus because I</p>	<p style="text-align: right;">Page 33</p> <p>1 MR. GALBRAITH: So you are not</p> <p>2 going to let him look at it.</p> <p>3 MR. WILLIAMS: Jim, please quit</p> <p>4 interrupting.</p> <p>5 MR. GALBRAITH: Okay.</p> <p>6 MR. WILLIAMS: Or I am going to</p> <p>7 call the judge and have your ass removed if you</p> <p>8 keep interrupting.</p> <p>9 MR. GALBRAITH: So the record is</p> <p>10 clear, you are just not going to let him look at</p> <p>11 the memo you are asking him about?</p> <p>12 MR. WILLIAMS: I am putting it on</p> <p>13 the overhead. I'm asking about specific areas.</p> <p>14 MR. GALBRAITH: I know that, which</p> <p>15 confirms that you are not going to let him look at</p> <p>16 the memo in its entirety to see context.</p> <p>17 MR. WILLIAMS: Whatever you think,</p> <p>18 sir.</p> <p>19 Q. (BY MR. WILLIAMS) Okay. We agree now</p> <p>20 that you wrote a memo showing that the refinery</p> <p>21 made nearly \$100 million profit in January alone,</p> <p>22 right?</p> <p>23 A. I agree I wrote that memo.</p> <p>24 Q. And in the previous year, 2004, you wrote</p> <p>25 a memo, your words, "The Texas City site</p>

9 (Pages 30 to 33)

1 undoubtably experienced the best profitability ever  
2 in history last year," right?

3 A. That is correct.

4 Q. And you are an MBA. You understand  
5 profit, don't you?

6 A. I understand profit.

7 Q. And so it was the most profitable -- most  
8 profitable in its history in '04; and it was making  
9 a hundred million a month in January of '05, right?

10 A. According to me it had made a hundred  
11 million in January, not a hundred million a month.  
12 Just a slight clarification.

13 Q. It was --

14 A. I don't --

15 Q. -- printing money, wasn't it?

16 A. It was making significant money.

17 Q. Was it printing money?

18 A. I believe I have used those words at  
19 times to describe it, yes.

20 Q. Your own words are that you have said in  
21 the past in other -- when you gave a statement to  
22 the BP lawyers, you have said, quote, "We were  
23 printing money," right?

24 Do you want to look at your  
25 statement? Is that correct, your words?

1 A. Those are my words in reference to 2004.

2 Q. Okay. Now, we got on to this because we  
3 were talking about your ability to shut down the  
4 plant or your decision, if you wanted to, to shut  
5 down the plant.

6 Did you get bonuses based on the  
7 profitability of that plant?

8 A. For 2004?

9 Q. For any time.

10 A. One of the elements of bonuses is  
11 profitability for that plant.

12 Q. Well, there's no question you work for a  
13 company that is one of the largest in the world,  
14 right?

15 A. It is a very large company. It's one of  
16 the largest in the world.

17 Q. And, in fact, if you were to take the BP  
18 plant in Texas City alone, take it out of that --  
19 the empire known as BP, just that one plant in  
20 Texas City would have made the Fortune 300 in the  
21 United States -- or in the world, right?

22 A. I knew it would make the Fortune 300  
23 companies.

24 Q. Just that one plant was one of the 300  
25 largest business entities in the entire world,

1 right, that one plant?

2 A. For 2004, yes.

3 Q. And if you -- but it wasn't a stand-alone  
4 plant. It was a part of an empire known as BP,  
5 right?

6 MR. GALBRAITH: Objection, form.

7 A. BP was a business unit in the BP  
8 corporation.

9 Q. (BY MR. WILLIAMS) Well, it's an empire.  
10 The sun never sets on BP, doesn't it? It's  
11 worldwide?

12 A. BP is a global company. That's correct.

13 Q. The sun never sets on the BP empire.  
14 Would you agree?

15 A. I've never characterized it as a BP  
16 empire. I'd characterize it as a global company.

17 Q. The sun never sets on the global company,  
18 then, right?

19 A. I've never thought of it that way.

20 Q. Well, think about it. Think about it for  
21 a second.

22 Do you know of any place that  
23 there's at any given moment -- isn't -- the sun  
24 isn't shining on a BP plant --

25 A. I don't know --

1 Q. -- or facility?

2 A. -- all its geographical locations well  
3 enough to answer that.

4 Q. Well, what are its geographical  
5 locations? We've got North America, right?

6 A. That's correct.

7 Q. South America?

8 A. That's correct.

9 Q. We've got Europe?

10 A. That's correct.

11 Q. We've got Africa?

12 A. That is also correct.

13 Q. Asia?

14 A. Parts of Asia.

15 Q. Australia?

16 A. Some facilities in Australia.

17 Q. Antarctica? Antarctica?

18 A. I am not sure.

19 Q. Well, so what continents have I missed?

20 We've got North America, South America. There's  
21 Europe, Africa, Australia, Antarctica.

22 The only thing you are not sure  
23 about is Antarctica, right?

24 A. I don't know if we have anything in  
25 Antarctica.

<p style="text-align: right;">Page 38</p> <p>1 Q. Okay. Now, what was the condition of the  2 Texas City plant that -- well, first of all, do you  3 know of any plant in the Texas City -- or in the BP  4 empire that was making more money than Texas City  5 in 2004? And, as we know, in 2005, the first month  6 at least, it was making a hundred million.  7 A. In 2004, the BP Texas City refinery made  8 the most money that I am aware of all process  9 plants.  10 Q. It was a cash cow?  11 A. It was a cash generator in 2004, that's  12 correct.  13 Q. For us non-MBAs, I call it a cash cow.  14 You have heard that term, haven't  15 you?  16 A. I have heard that term.  17 Q. Okay. So it was the Number 1 earner for  18 BP in 2004?  19 A. That is correct.  20 MR. GALBRAITH: Objection, form.  21 Q. (BY MR. WILLIAMS) And how much was that?  22 A. Upwards of 900 million is about the  23 closest. I can't remember the number exactly.  24 It's close to that range.  25 Q. Shy of a billion dollars?</p>	<p style="text-align: right;">Page 40</p> <p>1 for the plant if it made a billion dollars, right?  2 A. It would be good for the plant because  3 the plant had numerous years before that of not  4 making very much money.  5 Q. Okay. And then in 2005, we know in  6 January it was making a hundred million and if it  7 consistently stayed there, it would have blown away  8 the billion dollar goal. It would have gotten up  9 to 1.2 billion if it could keep that level, right?  10 A. If you could extrapolate out the January  11 year times 12, it would hit 1.2.  12 Q. And did you think of that as a goal?  13 A. Not for 2005.  14 Q. What was your goal for 2005?  15 A. I can't answer. I would have to look at  16 the contract to refresh my memory on what the  17 number was. It was nowhere near a billion dollars.  18 Q. Okay. What contract do you speak up?  19 A. The contract, the plan, the plan for the  20 site that's submitted to London each year as the  21 number anticipated as what you anticipate to make  22 for that year.  23 Q. I want to try and find that document.  24 What would the name of that document be?  25 A. "Performance Contract" is how it would be</p>
<p style="text-align: right;">Page 39</p> <p>1 A. It was definitely shy of a billion  2 dollars. We did not make the billion dollar mark.  3 Q. Were you shooting for the billion dollar  4 mark in 2004?  5 MR. GALBRAITH: Objection, form.  6 A. I am not sure I understand what you mean  7 by "shooting for."  8 Q. (BY MR. WILLIAMS) Well, was that your  9 goal? I will --  10 A. My goal and plan was not a billion  11 dollars.  12 Q. What was your goal?  13 A. I would have to look at the contract to  14 be able to cite the number. It was significantly  15 less than the 900 million mark.  16 Q. Now, sitting here today, wouldn't you  17 agree, Mr. Parus, at some point during 2004, didn't  18 you think, "It sure would look good on my resume if  19 my plant generated a billion dollars that year,"  20 right?  21 A. I never looked at it in the context of a  22 resume. I mean, I would say it would look good for  23 the plant to make a billion dollars.  24 Q. Okay. So you did think about it would  25 look good -- you knew in your mind it looked good</p>	<p style="text-align: right;">Page 41</p> <p>1 titled.  2 Q. And when would it be submitted to London?  3 A. It goes through several iterations.  4 Sometime the first quarter it would be submitted.  5 Q. The first quarter of what year?  6 A. 2005.  7 Q. Now, when you reached a hundred million a  8 month in January, was that the biggest month you  9 had ever had?  10 A. I don't believe so, but I can't  11 accurately state that. I don't know what the month  12 by month numbers were in 2004.  13 Q. Well, did you get any calls from London  14 or kudos or somebody saying, "Mr. Parus, that's  15 pretty good, a hundred million dollars this month.  16 Keep it up, buddy"?  17 A. I may have. I just don't recall at this  18 point.  19 Q. It seems like if you put a hundred  20 million dollars a month in London's pocket somebody  21 would have given you a pat on the back or told you  22 to keep it up. You're saying they didn't?  23 A. Well, the performance contract is for a  24 year. It's not measured by one month. This is a  25 margin business. You could make a hundred in one</p>

<p style="text-align: right;">Page 42</p> <p>1 month, and you could lose a hundred the next month.  2 I just don't recall somebody personally calling me  3 and thanking me for the hundred million.  4 MR. WILLIAMS: Objection,  5 nonresponsive.  6 Q. (BY MR. WILLIAMS) So let's go to the  7 condition of the plant when you took over as BUL in  8 June of 2004. You had been in the chemical or  9 refining business at that point 26 years, 25 plus  10 years?  11 A. At that point I would say I probably had  12 about 15 years in manufacturing in the  13 petrochemical business.  14 Q. Okay. So when you looked at the plant,  15 would you say that this was a plant that from  16 appearance, outside appearance sake, looked like it  17 had been well maintained? It looked nice and shiny  18 and things were well painted and everything was in  19 good condition?  20 A. No, I would not.  21 Q. Would you agree, as some people have  22 written, that this plant was rundown and neglected  23 and had a history of having been neglected when you  24 took it over in June of '04?  25 A. I would characterize it as -- or describe</p>	<p style="text-align: right;">Page 44</p> <p>1 A. Yes.  2 Q. And sometimes things had been postponed,  3 turnarounds, improvements, paintings, going out and  4 doing studies of relief valves and stuff, those  5 things had been postponed. You found that out when  6 you took over in '04, right?  7 A. There were things that were deferred,  8 yes.  9 Q. There had been budget cuts in the past at  10 BP, correct?  11 A. Which timeframe, sir?  12 Q. During your history of being with BP.  13 A. In the 1999 to 2004 period, I am aware  14 there were some budget cuts.  15 Q. Well, aware of -- let's be honest with  16 this jury.  17 In fact, there was a mandate from  18 London, from the almighty Lord Browne, that budgets  19 be cut 25 percent, right?  20 A. And the reason I used the word I was  21 aware of it because during that time period for  22 three years I was in a corporate role as vice  23 president, procurement. So, therefore, that did  24 not impact me.  25 Okay. So that's why I am</p>
<p style="text-align: right;">Page 43</p> <p>1 it as the plant had been underinvested for a period  2 of years and that that was being turned around in  3 the time period of 2004.  4 Q. Okay. "Underinvested," is that an MBA  5 term?  6 A. "Underinvested," I would describe as -- I  7 am not sure if it's an MBA term. "Underinvested"  8 means there was less capital invested, being spent  9 at the site, less dollars.  10 Q. It seems to -- let me put it in simple  11 terms for a guy who grew up in Pasadena.  12 It seems that the simple term I  13 think of is you hadn't been -- BP hadn't been  14 spending the money to maintain this facility like  15 it should have been maintained at the point you  16 took it over in June of '04, true?  17 A. Over a -- over a period of many years, I  18 would agree that there was less money being spent  19 at that site.  20 Q. It had --  21 A. I don't have the time -- I don't know the  22 exact timeframe, not having the history.  23 Q. But when you took a look at it, it was  24 obvious to the -- to the casual observer, it had  25 been neglected?</p>	<p style="text-align: right;">Page 45</p> <p>1 answering your question I was aware of it, but I  2 was not running a plant or in a plant during that  3 time period.  4 Q. Well, I am just trying to confirm for  5 this jury that from 1999 to the period when you  6 took over this plant in 2004, during that time  7 period, there had been a mandate from the almighty  8 Lord Browne, "Cut overhead by 25 percent."  9 You're aware of that, right?  10 A. I am aware of a 25 percent cost  11 challenge, but I would not attribute that or track  12 that back to Lord Browne. I would attribute it  13 back to the segment group vice president at the  14 time, Doug Ford.  15 Q. Okay. I don't care who made the ultimate  16 decision; but somebody in the top people at BP in  17 the 1999 to 2004 timeframe had sent out the word,  18 "Thou shall cut cost by 25 percent," true?  19 A. I am aware of it in 1999 to take place  20 over a three-year period of time.  21 Q. Okay. And one of the results of that was  22 that when you got there in June of 2004, you could  23 see that this plant had been neglected  24 maintenance-wise and investment-wise, true?  25 A. I could see the plant was underinvested,</p>

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1 but I don't know if I could directly attribute it  
 2 to that challenge or something else.  
 3 Q. Underinvested, is that the same as they  
 4 weren't parting with the money to do what needed to  
 5 be done to keep that plant in a first class  
 6 condition?  
 7 A. That's correct.  
 8 Q. Where were you on March 23, 2005?  
 9 A. I was at the site, at the Texas City  
 10 site.  
 11 Q. Where?  
 12 A. At what time period? What time of the  
 13 day, sir?  
 14 Q. Let's say at the time of the fire and  
 15 explosion.  
 16 A. I was in route. I had given a lunching  
 17 presentation to the administrative assistants, as I  
 18 typically do on a quarterly basis, and I had left  
 19 the site -- I did not drive through it. I had left  
 20 the site and was in route to grab some lunch and  
 21 head back to my office. I was just outside the  
 22 site when it occurred.  
 23 Q. You were headed to or from lunch when the  
 24 fire and explosion occurred?  
 25 A. Heading back.

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1 Q. Okay. And what did you see or  
 2 experience?  
 3 A. I got a call first that described that we  
 4 had a fire and explosion. I asked if everybody was  
 5 accounted for. I received the answer "no." And I  
 6 believe Kathleen Lucas was the person who called  
 7 me.  
 8 As I got close to the office, I  
 9 could see a cloud of smoke; and I immediately then  
 10 went into what we call our emergency management  
 11 team room and began to set up there.  
 12 Q. Okay. Now, Mr. Parus, are you familiar  
 13 with the final report that BP made on this -- with  
 14 regard to this fire and explosion?  
 15 A. Issued by John Mogford, sir?  
 16 Q. Yes, sir.  
 17 A. I am familiar with that report.  
 18 Q. You have studied it?  
 19 A. I have read the report, sir.  
 20 Q. As you sit here today, do you have  
 21 disagreement with that report?  
 22 A. That report is quite voluminous in its  
 23 volume. Let me break it into a couple of sections  
 24 to answer that question -- better answer that  
 25 question for you.

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1 There is a significant amount of  
 2 that report dealing with the details surrounding  
 3 the incident. I am assuming that the interviews  
 4 and data that the team did, that that's accurate.  
 5 I have no reason to believe that the details  
 6 associated with that are incorrect or have been  
 7 inaccurately reported.  
 8 I just don't have the -- I didn't  
 9 do -- I was not part of the investigation, did not  
 10 sit in the interviews, did not collect the data.  
 11 So it's difficult for me to disagree with it, but I  
 12 have no basis to say that the facts of that  
 13 incident are incorrect.  
 14 There are some areas that I recall  
 15 that, I believe, the investigation team made about  
 16 the site, looking through just the ISOM unit, that  
 17 I would disagree with.  
 18 Q. Okay. I'd like to list your  
 19 disagreements with the report?  
 20 A. Some of them I recall. I mean, there was  
 21 reference that -- I am going to give a couple of  
 22 them that I recall. The team stated that the site,  
 23 for example, had no site -- no site management  
 24 leadership audits that got advisability in the  
 25 plant. I mean, that's not true. I mean, every

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1 Monday we went out as the leadership team in the  
 2 van and spent two hours at a particular unit doing  
 3 audits, safety audits.  
 4 We did not make it to the ISOM  
 5 unit because it was started up over six months.  
 6 Because of the size of the plant, we had not made  
 7 it to the ISOM. But we had visited numerous units,  
 8 for example.  
 9 There was reference that there was  
 10 no process safety management priorities and, I  
 11 believe, no process safety metrics. The process  
 12 safety audit done in 2004, that's not how it was  
 13 communicated to me, that we did not have a priority  
 14 on process safety.  
 15 In fact, the one thing that was  
 16 raised was we did not have a process safety metric  
 17 on follow-up action items and we --  
 18 Q. What's a metric?  
 19 A. Be able to measure is a metric.  
 20 Q. Oh.  
 21 A. Something you would measure, something  
 22 you would track.  
 23 The -- we added that for 2005 on  
 24 the follow-up action. So I have a little  
 25 disagreement with that.

<p style="text-align: right;">Page 50</p> <p>1           There was reference that the site 2 was only inward looking, did not take new ideas or 3 plans from the rest of the segment. And several 4 things we had just implemented were from outside 5 the site and outside the segment, the business. 6           I mean, a couple of examples would 7 be is we had just put shift directors on site. 8 That was an idea we took from the chemicals 9 business. 10          We also then put in a compliance 11 delivery process and just culture program; and 12 that's something that was taken from the upstream 13 and, I believe, also was used at another 14 competitor. So I took exception with the site 15 being inwardly located -- inwardly refocussed. 16          There may have been others, but 17 those are the ones -- the only ones that I recall 18 at this point in time. 19          Q. Who was responsible for the fire and 20 explosion of March 23, '05? 21          A. The responsibility for that lied with 22 many people all the way up the chain and, I believe 23 looking at the report, it also stated that a lot of 24 the conditions pre-existed for years beforehand 25 leading up to that. So I would say that there was</p>	<p style="text-align: right;">Page 52</p> <p>1           What I do know is I believe and I 2 firmly believe that I was trying to help that site 3 and improve the site. I was not the cause of the 4 site's issues. 5          Q. (BY MR. WILLIAMS) Nevertheless, do you 6 believe, though, sir, that -- do you believe you 7 have been treated fairly since this fire and 8 explosion by BP? 9          A. Although I understand their actions, I do 10 not agree with them. 11          Q. Okay. And do you -- I am going to press 12 you on this. I know this is, perhaps, a tough 13 subject. 14          But do you think they have treated 15 you fairly? 16          MR. GALBRAITH: Objection, form. 17          A. I am not happy with the way that BP 18 treated me following May 13th. 19          Q. (BY MR. WILLIAMS) Okay. In fact, BP 20 made the decision to relieve you from 21 responsibility for that plant in May of 2005, 22 correct? 23          A. That is correct. 24          Q. And did you receive that dismissal from 25 your position, so to speak, by e-mail?</p>
<p style="text-align: right;">Page 51</p> <p>1 a significant chain responsibility and not just 2 include the people at the site. 3          However, given the position I was 4 in as being the plant manager or BUL at the time, I 5 would assume the responsibility that comes with 6 that role. 7          Q. You've -- you used to run the maritime 8 unit for BP. You ran a bunch of ships, didn't you? 9          A. No, sir. 10          Q. It wasn't you? 11          A. No, sir. Never. 12          Q. I'm thinking of the wrong person. 13          Are you familiar with the term or, 14 you know, the captain goes down with the ship? 15          A. I have heard the term. 16          Q. Does that apply to you? 17          A. I am not sure I understand your analogy. 18          Q. Well, bluntly, man to man, do you feel 19 that in some ways you have been blamed for this 20 fire and explosion by your own company? 21          MR. GALBRAITH: Objection, form. 22          A. I don't know what the company feels 23 regarding blaming me. I mean, I have worked in 24 corporations for 28 years now. I understand how 25 corporations function.</p>	<p style="text-align: right;">Page 53</p> <p>1          A. No. It was a face-to-face meeting. 2          Q. With Pat Gower? 3          A. It was a face-to-face meeting in Chicago 4 with Pat Gower and Simon Drysdale, the vice 5 president of human resources. 6          Q. Ross Pillari involved? 7          A. Ross was not at that meeting. 8          Q. Okay. And what were you told as to the 9 reason that you were removed from responsibility at 10 that site? 11          A. Pat shared with me that he thought that I 12 would have significant involvement in the upcoming 13 impending investigations, that it would be too much 14 for me to run a site and deal with that and, 15 therefore, was removing me from the site. 16          Q. So the stated reason they gave you was 17 that you would be involved in the upcoming 18 investigations, right? 19          A. That is the reason they shared with me. 20          Q. Truth and fact, have you been involved in 21 the investigations? 22          A. No, sir. 23          Q. Truth and fact, then, is it true, sir, 24 that they have -- that BP, essentially, has 25 continued to pay you but has, I guess in some</p>

1 respects, told you to go home and wait for our  
2 call?

3 A. BP has continued to pay me and says, "You  
4 need to be available professionally when needed."

5 Q. So what do you do all day?

6 A. I am not sure there's a typical day in my  
7 household. I mean, since May 13th, one, I have  
8 spent a lot of time with my family. So it's  
9 something that for 20 something years I have not  
10 had a chance to do. I was either in a meeting, on  
11 an airplane or out of the country.

12 So I have spent a fair amount of  
13 time with my six kids. I have also spent a fair  
14 amount of time now keeping myself in good health,  
15 which in the past I hadn't done that. And I have  
16 started teaching part-time.

17 Q. Okay.

18 A. But I don't know if I have a typical day  
19 for you.

20 Q. But you don't do anything for -- on a  
21 typical day, since May 13th of '05 up until, I  
22 guess, today, you -- BP has just kind of -- quite  
23 frankly, they have told you to go home and wait for  
24 a call. They have put you out to pasture. They  
25 are not using you for anything, correct?

1 MR. GALBRAITH: Objection, form.

2 A. BP has not used me very much at all. I  
3 could probably add up the hours and count them in a  
4 couple of weeks as to the amount of work I've done  
5 for BP since May 13th.

6 Q. (BY MR. WILLIAMS) In fact, they told you  
7 that they wanted you to work on the investigation.  
8 And, in fact, you have got -- received written  
9 letters from the head of BP North America,  
10 Ross Pillari, where he said he wants you to be  
11 available to participate in the investigation, both  
12 from an environmental standpoint and a legal  
13 standpoint, right?

14 A. That's what the letter states, yes, sir.

15 Q. But he never did -- they never have  
16 really used you in the investigation or the legal  
17 aspects of this case, have they?

18 A. They have not.

19 Q. Do you have an office?

20 A. I was offered an office and chose to use  
21 my home as a home office.

22 Q. Do you have any projects that you are  
23 working on for BP?

24 A. No, sir.

25 Q. As I understand it, BP has extended

1 your -- an agreement with you that you will be a BP  
2 employee, the last letter I saw, was June 30th of  
3 this year about eight days from now; is that  
4 correct?

5 A. That's the same last -- that's the last  
6 letter I have received as well.

7 Q. Do you have any assurances that you have  
8 more than eight days left with BP?

9 A. I have no assurances from BP as to what  
10 they will do next.

11 Q. We're here on June 22nd and so it's clear  
12 that -- that the only thing you have from them is  
13 that you are still an employee of BP for the next  
14 eight days and know of nothing that will extend you  
15 beyond those eight days one way or the other,  
16 right?

17 A. That is correct.

18 Q. Has -- what has this done to your career?

19 A. I mean, I'm not naive enough to know that  
20 having this incident occur will not cause my career  
21 to flourish. Being in this position at this time  
22 of the incident will not enhance my career.

23 Q. Have you gone through times since you  
24 were -- what would we say happened on May 13th?  
25 Discharged? Put aside? Relieved of

1 responsibility? What's the correct term?

2 A. The way I describe May -- May 13th is I  
3 was relieved of my duties at the Texas City  
4 refinery and put on administrative leave.

5 Q. Okay. And administrative leave, quite  
6 frankly in this situation, simply means go home and  
7 we will call you if we need you.

8 Is that a fair summary?

9 A. I would characterize it as go home, be  
10 ready when we need you. That is correct.

11 Q. Okay. What are your -- do you feel that  
12 you have been treated -- I will go back to my  
13 original question.

14 Do you feel you've been treated  
15 fairly as a result of this action of putting you on  
16 administrative leave?

17 MR. GALBRAITH: Objection, form.

18 A. No, sir.

19 Q. (BY MR. WILLIAMS) Have you had feelings  
20 during this time of being on administrative leave  
21 that perhaps you were being -- or concerns, I  
22 guess, is the proper word -- that you have become  
23 the scapegoat?

24 A. During this time period, there has been  
25 virtually no communication with BP. So I just

1 don't know what they are thinking. I -- I just  
2 know what's in my heart and --  
3 Q. But in your heart, have you had worries  
4 and concerns that, hey, you know, I was running a  
5 billion and a half dollar plant making a hundred  
6 million a month for them and all of a sudden, now,  
7 I am at home cutting the lawn or helping with the  
8 children.

9 Have you had some concerns "I  
10 might be the scapegoat in this"?

11 MR. GALBRAITH: Objection, form.

12 A. Again, I understand how corporations  
13 think. It's also -- I also understand that  
14 corporation will do what's best for the institution  
15 and that that could be a possibility.

16 Q. (BY MR. WILLIAMS) Now, you shared with  
17 us a little while ago that when you took over in  
18 June of '04 that recognizing there were gaps or  
19 deficits in safety and other areas of the plant,  
20 you tried to make improvements, didn't you?

21 A. I was making improvements, sir.

22 Q. And improvements were necessary because  
23 you recognized there were gaps in safety and other  
24 areas, in -- both in safety and maintenance?

25 A. Not just in June, 2004, but also as the

1 months progressed, I recognized there were gaps.

2 Q. No doubts there were gaps in safety  
3 culture and maintenance at that plant before the  
4 fire and explosion?

5 A. I didn't have a real good handle on what  
6 the culture was. Sometimes it's a subjective view.  
7 So, I mean, at a point in the time in 2004 that I  
8 actually enlisted a consultant to come in and help  
9 me identify what the safety culture actually was.

10 Q. Okay. And -- and when that consultant  
11 came in, the result was you got a real problem,  
12 wasn't it?

13 A. There were concerns raised as a result of  
14 the safety culture report.

15 Q. That's right.

16 And we know, now, that there  
17 were -- the gaps were big enough in the safety  
18 culture and maintenance and that your efforts to  
19 improve them, quite frankly, were too little too  
20 late?

21 A. Prior to the incident --

22 MR. GALBRAITH: Objection, form.

23 A. Prior to the incident on the morning of  
24 the 23rd, the overall indicators I was using to  
25 judge that did not leave me with too little too

1 late. I thought we were making significant  
2 progress with many areas.

3 A couple of them I'll share with  
4 you. The recordable rate, which is an injury rate,  
5 was moving downward. In fact, at the time of the  
6 incident, it was actually at an all time low.

7 That is a number we do compare  
8 with the competition.

9 Q. (BY MR. WILLIAMS) I understand.

10 But, now, as a result and looking  
11 back -- and I'm acknowledging this is hindsight,  
12 would you agree with me that now knowing the  
13 results of March, '05 your efforts, quite frankly,  
14 were too little too late?

15 MR. GALBRAITH: Objection, form.

16 A. I am not sure if my efforts would be  
17 described as too little too late. There was --  
18 some things we needed to do faster. Okay. In  
19 fact, after the incident, we started to move in  
20 that direction.

21 Q. (BY MR. WILLIAMS) Okay. So you agree --

22 A. But I didn't have any indications prior  
23 to that that I needed to.

24 Q. But if we look objectively at it now, and  
25 I am not criticizing you for making efforts to

1 improve areas that had been neglected, such as  
2 safety and maintenance; but if we look back at it  
3 now, we know that, quite frankly, it should have  
4 been done probably faster and more resources  
5 focused on the safety and maintenance?

6 MR. GALBRAITH: Objection, form.

7 A. If you read the recommendations, and  
8 again, one of the big advantages of doing an  
9 incident report is to learn from incidents. I  
10 think the incident report would -- would support  
11 that.

12 Q. (BY MR. WILLIAMS) That it, basically, it  
13 was --

14 A. More needed to be done.

15 Q. -- and sooner?

16 A. Post -- post the incident.

17 Q. We are looking at it in hindsight, but we  
18 agree the incident report indicates that it was, to  
19 sum it up in my non-MBA words, too little too late?

20 MR. GALBRAITH: Objection, form.

21 A. The incident report would support and  
22 it's tough to dispute, post the incident, that more  
23 needed to be done quicker.

24 Q. (BY MR. WILLIAMS) Okay.

25 MR. WILLIAMS: We are running out



<p style="text-align: right;">Page 62</p> <p>1 of tape so we will take a break.  2 THE VIDEOGRAPHER: Off the record  3 at 10:13 a.m., ending Tape 1.  4 (Recess taken.)  5 THE VIDEOGRAPHER: On the record  6 10:29 a.m., beginning Tape 2.  7 Q. (BY MR. WILLIAMS) Can you explain to me  8 during the time period that you were -- that you  9 were BUL at Texas City the management above you,  10 who you reported to and who they reported to,  11 please?  12 A. Just to be clear. So we're saying June  13 of 2004 onward?  14 Q. Yes, sir.  15 A. I have to answer that in two time  16 crunches from June of 2004 until July 31st, 2004, I  17 carried both the site director role and the BUL  18 role during that time period.  19 So I actually reported to a board,  20 in a sense, but not like a board of directors. A  21 board meaning two JVPs. One of them being Holly  22 Van Deursen and Mike Hoffman in that role.  23 Q. How do you spell Holly's last name?  24 Van Deursen?  25 A. Van Deursen. And I -- you would spell it</p>	<p style="text-align: right;">Page 64</p> <p>1 off into a separate company.  2 Q. GVP stands for?  3 A. In BP, GVP stands for group vice  4 president.  5 Q. What does that mean?  6 MR. GALBRAITH: Objection, form.  7 A. I am not sure I have been asked that  8 question.  9 That's the head of -- there are  10 four group vice presidents in BP. Each one of them  11 running a segment of the business. The four  12 segments being: The upstream or exploration and  13 production; the downstream, which would include  14 refining retail; the chemical business, okay, and  15 then one running the natural gas renewable  16 business. There was like four what I classify  17 group vice presidents in BP organizational  18 structure.  19 Q. (BY MR. WILLIAMS) No doubt the people you  20 reported to in this, the group vice president's  21 Holly Van Deursen, Mike Hoffman and the U.S.  22 regional vice president Pat Gower, these were  23 people that were at the tip, tip, tip top of BP,  24 right?  25 MR. GALBRAITH: Objection, form.</p>
<p style="text-align: right;">Page 63</p> <p>1 the way you sound it out. I am not sure I could be  2 able to help you there on that.  3 Q. Okay.  4 A. D-u-e-r-s-o-n (sic) would be -- would be  5 my first pass at that.  6 Okay. That's -- that was because  7 it ended up still being a site director role in  8 that and then I took direction and I reported to  9 Pat Gower for the Texas City refinery BUL job. Pat  10 was the U.S. regional vice president.  11 Then from January 1 onward, the  12 chemical plants were separated into a separate  13 company, and then that's when I then became only  14 the Texas City site director, which would be the  15 BUL of the refinery and still running the chemical  16 plant in Texas City.  17 Q. So after January 1st, '05, you reported  18 only to Pat Gower?  19 A. That's correct.  20 Q. But before January 1st, '05, you reported  21 to Pat Gower and also to Holly Van Deursen and  22 Michael Hoffman?  23 A. Because I had two roles in that -- in  24 that time period during the unwinding or separation  25 of this integrated site. The site was being spun</p>	<p style="text-align: right;">Page 65</p> <p>1 A. They were at the top of the organization.  2 Q. (BY MR. WILLIAMS) They were in the top  3 ten most important people in the -- if you look at  4 the organizational chart --  5 A. I would put --  6 Q. Top five --  7 A. -- Holly and Mike in the top 40. Okay.  8 Again, I am going to correct a  9 little bit. I gave you the executive group vice  10 presidents. Reporting to them are other group vice  11 presidents. Mike reported to the segment person.  12 I didn't want to mislead you in that.  13 Mike and Holly I would put in the  14 top 40. And then the four positions I mentioned to  15 you, I would put in the top ten. Okay. At that  16 time, though, those people would be Ian Con for  17 chemicals and John Manzoni for the downstream. I  18 didn't want to mislead you on that.  19 Q. Okay.  20 A. Pat I would not place in the top 40.  21 Q. And what was the role of -- of Ross  22 Pillari in all of this?  23 A. To the best of my understanding, Ross had  24 been representing the corporation in North America.  25 A term used in BP would be a country VP, or head of</p>

<p style="text-align: right;">Page 66</p> <p>1 BP North America. He would handle all the 2 reputation relationship issues in North America. 3 Q. So Ross Pillari was the company 4 president, so to speak? 5 A. Countries -- 6 Q. Country. 7 A. Country president. Okay. He -- he -- 8 Q. I am sorry. 9 A. There's various -- each countries or 10 continents BP operates in, they, typically, have 11 somebody, head, in that location. Ross was for 12 North America. 13 Q. Okay. Did -- and did you report to him 14 at all with regard to the refinery, Texas City 15 refinery? 16 A. Organizationally, I did not report to 17 Ross. The range would be is if there was an 18 incident that would affect reputation, I would 19 notify Ross or Ross' office, but I had no direct 20 reporting to Ross. 21 Q. And do you know if the U.S. regional vice 22 president, Pat Gower, reported to Ross? 23 A. My understanding of the organization, 24 sir, is that Ross reported directly to Mike Hoffman 25 and not Ross Pillari.</p>	<p style="text-align: right;">Page 68</p> <p>1 MR. GALBRAITH: Objection, form. 2 Q. (BY MR. WILLIAMS) -- brought to Houston 3 in April of 2002? 4 MR. GALBRAITH: Objection, form. 5 A. I am not sure I could tell you what their 6 thinking was. I - I know I was part of a chain of 7 moves triggered by a retirement. Mike Hoffman's 8 predecessor, Al Kozinski, had retired. Mike 9 Hoffman then moved from running the Carson refinery 10 to London to replace Al. Tim Scruggs, my 11 predecessor moved -- was moved from Texas City site 12 director -- South Houston site director to Carson, 13 and I moved then from my London corporate role into 14 the Texas City site director role. 15 Q. (BY MR. WILLIAMS) How long were you based 16 in London for BP? 17 A. Almost three years. 18 Q. Now, did they tell you in April of 2002 19 or before you moved to Houston why they were 20 putting you over the South Houston site, including 21 the five plants, one of which was Texas City 22 refinery? 23 A. Not explicitly. Mike had moved into a 24 new role. So I had not -- the -- at that time the 25 Pat Gower role had not existed. Al was retiring.</p>
<p style="text-align: right;">Page 67</p> <p>1 Q. I am sorry. Say that again. 2 A. Pat Gower reported to Mike Hoffman, okay, 3 and not Ross Pillari. 4 Q. Okay. Fair to say that it's a little bit 5 complex trying to understand the corporate 6 executive structure at BP above your -- above your 7 position when you get up above the plant manager or 8 the BUL role? 9 MR. GALBRAITH: Objection, form. 10 A. I didn't view it as complex, sir. I 11 understood it. 12 Q. (BY MR. WILLIAMS) Okay. So if 13 Ross Pillari came down to your plant, you didn't 14 consider him to be your boss? 15 A. That is correct. 16 Q. But you did consider Pat Gower to be your 17 boss? 18 A. Yes, during the time period from -- 19 shared from June and definitely from January of 20 2005 onward, yes. 21 Q. Okay. Why were you brought to the Texas 22 City or to Houston back -- was it in 2002 when you 23 first came, correct? 24 A. April of 2002. 25 Q. Why were you --</p>	<p style="text-align: right;">Page 69</p> <p>1 So there was change over between Al and Mike. Not 2 a lot of dialogue as to why. 3 Q. Now, you went through a time period from 4 April of -- starting April of 2002, you were head 5 of five different -- you were over five different 6 plants, one of which was the Texas City refinery, 7 correct? 8 MR. GALBRAITH: Objection, form. 9 A. As I described earlier, I was not over 10 the plant, specifically. I was -- I was 11 responsible for the integration value of those five 12 sites starting April. 13 Q. (BY MR. WILLIAMS) And integration value, 14 how would you put that in common terms? 15 A. There were five sites located within a 16 25-mile radius of each other, all owned by BP. 17 Integration value is -- is to 18 provide a -- in one -- through one lens a regional 19 service to the organization to be more efficient 20 and effective services instead of each of the sites 21 having their own independent structure. 22 Q. Does that -- did that work out or did 23 y'all abandon that concept? 24 A. It was abandoned because of the sale 25 and -- the pending sale and separation. Once</p>

<p style="text-align: right;">Page 70</p> <p>1 the -- the sites were being spun off to be sold,  2 the concept was then abandoned because it would be  3 under a different company and separate entity.  4 Q. How many of those five sites were sold?  5 A. Five sites -- a little bit of history of  6 the five sites. One site closed prior to  7 announcing the sale. That would be the Cedar Bayou  8 site. It closed in 2003.  9 Two of the other sites, the  10 Chocolate Bayou site and the Deer Park site, were  11 completely placed into the separate new company and  12 a portion of the chemical plant, the Texas City,  13 was also put into the new company.  14 Q. Excuse me.  15 Is that new company owned by BP?  16 A. Not today.  17 Q. Was it then?  18 A. It was set up to be a separate entity  19 owned by BP in preparation to be divested outside  20 of BP.  21 Q. So BP thought time -- timing is right to  22 sell these -- the Chocolate Bayou plant, the Deer  23 Park plant and part of the Texas City plant?  24 A. I am not sure I understood what BP's  25 thinking was at the time. That was a decision that</p>	<p style="text-align: right;">Page 72</p> <p>1 Q. (BY MR. WILLIAMS) Okay. So let's -- let  2 me be precise.  3 In June of 2004 until the end of  4 2004, you really had three roles.  5 And what were those three roles?  6 A. I would describe the three roles -- I was  7 still site director for South Houston of the four  8 sites, the refinery plus three chemical plants.  9 Q. Right.  10 A. I assumed the BUL role with Rick's  11 departure. So I had the BUL role, the business  12 unit leader, for the Texas City refinery. And then  13 I also had responsibility to ensure the separation  14 of the sites in which contracts had to be  15 established. Everything that was all going now to  16 BP had to be separated both organizationally,  17 people, and contractually into two separate  18 businesses.  19 Q. It sounds like from April -- June '04  20 until the end of '04, your plate was not only full  21 it was overflowing?  22 MR. GALBRAITH: Objection, form.  23 A. I would describe it as I was fully  24 utilized.  25 Q. (BY MR. WILLIAMS) Okay. You were being</p>
<p style="text-align: right;">Page 71</p> <p>1 was passed on.  2 Q. Okay. And so what was left after the --  3 after this sale or divestiture, quite frankly, was  4 the Texas City plant and what else?  5 A. And a -- and a portion of the Texas City  6 chemical plant.  7 Just to complete the timeline,  8 the -- the new company separation was announced in  9 April and the actual separation was to occur by the  10 end of the year, December 31st of 2004.  11 Q. So is it true, then, that from April of  12 '04 to the end of '04 that some of your time was  13 devoted to being the BUL of the Texas City  14 refinery; and, additionally, some of your time was  15 devoted to your old job of site manager and, I  16 assume, helping in the divestiture of these two  17 plants plus part of the Texas City chemical plant?  18 MR. GALBRAITH: Objection, form.  19 A. I would describe my role from June  20 onward. The announcement of sale did not end up me  21 being the BUL of the site. Rick was still there.  22 So I would say in June, early June  23 of 2004, Rick was moved from the site to take a BUL  24 position in England. At that point, I described  25 myself as having three roles in June of 2004.</p>	<p style="text-align: right;">Page 73</p> <p>1 run pretty -- pretty hard, weren't you?  2 MR. GALBRAITH: Objection, form.  3 A. I had a pretty busy time period from June  4 of 2004 until the end of the year.  5 Q. (BY MR. WILLIAMS) And how many hours  6 were you working a day during that time period  7 trying to cover all three of those roles?  8 A. No days were typical. But they were very  9 long days. Sometimes included weekends and  10 vacations.  11 Q. And it turned out then that -- would you  12 agree that any one of those three roles was  13 probably a full-time job?  14 MR. GALBRAITH: Objection, form.  15 A. They could be. I -- I just haven't  16 thought of it that way.  17 Q. (BY MR. WILLIAMS) Well, it's not a  18 stretch really to say you were doing three  19 full-time jobs between June '04 and the end of  20 December '04, weren't you?  21 A. I was doing three --  22 MR. GALBRAITH: Objection, form.  23 A. -- three roles. Okay. Whether each of  24 those independent is full-time, I just -- I haven't  25 thought about it like that.</p>

1 Q. (BY MR. WILLIAMS) Okay. But thinking  
2 about it, wouldn't you say that it could have been  
3 a full-time job? If you had -- if there had been  
4 three of you, you would -- it would have been three  
5 full-time jobs, right?

6 MR. GALBRAITH: Objection, form.

7 A. It's a possibility.

8 Q. (BY MR. WILLIAMS) Okay. I want to talk  
9 about the safety culture at Texas City refinery.

10 The final report found that there  
11 were significant gaps and problems with the safety  
12 culture at that plant, true?

13 MR. GALBRAITH: Objection, form.

14 A. I believe there were indications in the  
15 report questioning the safety culture at the site.

16 Q. (BY MR. WILLIAMS) And you would agree  
17 from what you have seen and studied that there were  
18 problems with the safety culture at Texas City  
19 refinery, true?

20 A. I commissioned the Telos Report to  
21 find -- actually, look under -- look into the  
22 organization to determine what the safety culture  
23 was.

24 So I mean, to me, the Telos Report  
25 gave me the best insight what the culture at the

1 site was.

2 Q. And for the benefit of the jury, the  
3 Telos Report -- the findings of the Telos Report  
4 were somewhat shocking as to the condition of the  
5 safety culture, weren't they?

6 A. I didn't find the Telos Report shocking.  
7 Disappointed by it. To me, the Telos Report  
8 reinforced we needed to get the things we were  
9 working on -- to accelerate them.

10 Q. Well, let's go back. The Telos Report,  
11 you say it was not shocking.

12 Was it alarming?

13 A. It raised issues regarding the safety  
14 culture of the site. And as I sat down and met  
15 with the consultant that did it, the piece that we  
16 talked about was kind of two sides. One was the  
17 way it was structured. There was no -- no timeline  
18 in that response as to whether those conditions was  
19 what the people felt that day, the day before, ten  
20 years ago. There was no timeline.

21 On the other side, it was very  
22 clear to -- to be saying that report indicated very  
23 strongly a very high percentage, and I don't have  
24 the number, but that in the very recent time  
25 period, safety was improving at the site. So I had

1 that balance to look at with the Telos Report.

2 Q. Okay.

3 MR. WILLIAMS: Objection,  
4 nonresponsive.

5 Q. (BY MR. WILLIAMS) Did the -- when you  
6 received the Telos Report and talked with the  
7 authors, the consultants you brought in for the  
8 Telos Report, did that raise any alarms in your  
9 mind?

10 A. What raised in my mind was I needed to  
11 get the entire leadership at the site involved in  
12 what that report was saying and get them to own it.  
13 That was the biggest -- biggest point that raced  
14 across my mind when I received it.

15 Q. Well, did it put you on notice that you  
16 had a safety culture problem?

17 A. It reinforced that we had a safety  
18 culture problem.

19 Q. Because you already knew you had or  
20 suspected before that -- you had the feeling there  
21 was a safety culture problem there, didn't you?

22 A. What triggered the Telos was there were  
23 two fatalities in the September timeframe. Okay.  
24 And as I -- as I read the investigation from it and  
25 learned more of those details, the feeling or sense

1 I got was there was a risk tolerance issue at the  
2 site. That is people were willing to take risk.  
3 That incident, the two fatalities, if you look at  
4 it was -- if you look at the people involved in it,  
5 there was over 200 years of experience in preparing  
6 the job and completing it; yet, no one saw the risk  
7 associated with it.

8 Q. Let me go back.

9 In 2004 while you were BUL, there  
10 were three deaths at the Texas City refinery,  
11 correct?

12 A. While I was BUL, two, sir.

13 Q. Okay. But there -- in 2004 there were  
14 three deaths at the refinery, two of which occurred  
15 during the time period starting in June when you  
16 were BUL?

17 A. That is correct.

18 Q. One of the 2004 deaths occurred before --  
19 it occurred in 2004 but occurred while you were  
20 site manager but before you had been BUL?

21 A. That is also correct.

22 Q. And knowing that there were three deaths  
23 in 2004, you then recognized while -- by  
24 investigating them, that this plant had an  
25 unacceptably high risk of -- or unacceptably high

<p style="text-align: right;">Page 78</p> <p>1 tolerance for risk, correct?</p> <p>2 A. It's based on -- again, I am going to use</p> <p>3 the September fatalities piece of it, based on that</p> <p>4 it appeared the site had an unacceptable risk for</p> <p>5 tolerance. That was one of the drivers</p> <p>6 for commissioning --</p> <p>7 Q. You said risk of tolerance.</p> <p>8 You meant tolerance of risk?</p> <p>9 A. I mean in the same, tolerance of risk.</p> <p>10 That's correct.</p> <p>11 Q. Okay.</p> <p>12 A. I sensed that the site had an</p> <p>13 inappropriate risk tolerance level, but I needed to</p> <p>14 get more than that one single data point.</p> <p>15 Q. And -- and what that indicated to you, I</p> <p>16 guess, is that things were happening at that plant</p> <p>17 that -- where people were doing things, and they</p> <p>18 were doing unsafe things and accepting unsafe</p> <p>19 conditions.</p> <p>20 Would you agree?</p> <p>21 MR. GALBRAITH: Objection, form.</p> <p>22 A. The way I would characterize it in the</p> <p>23 incident is people followed the procedures to the</p> <p>24 letter. There was no violation of procedures. The</p> <p>25 procedures allowed them to fix the pump without</p>	<p style="text-align: right;">Page 80</p> <p>1 the gates with the mind-set that they wanted to get</p> <p>2 injured.</p> <p>3 Q. (BY MR. WILLIAMS) And so they were doing</p> <p>4 what management and the leadership of the plant,</p> <p>5 what they thought was the right thing to do as</p> <p>6 expressed by management and the leadership?</p> <p>7 A. Also expressed by past practice.</p> <p>8 Q. That's right. Every plant has -- you can</p> <p>9 walk into different plants around America and they</p> <p>10 will have a -- different cultures -- and I am</p> <p>11 talking about safety culture.</p> <p>12 They have a different safety</p> <p>13 culture and -- and -- and a different risk</p> <p>14 tolerance, correct?</p> <p>15 A. Yes, sir.</p> <p>16 Q. And the people responsible, ultimately,</p> <p>17 for the safety culture and the risk tolerance,</p> <p>18 quite frankly, that that is a leader -- that --</p> <p>19 leadership for that needs to come from management?</p> <p>20 Management needs to put that as a priority in a</p> <p>21 plant, true?</p> <p>22 A. The entire leadership chain needs to set</p> <p>23 that as a priority.</p> <p>24 Q. And -- and management can make a huge</p> <p>25 difference about risk tolerance and the safety</p>
<p style="text-align: right;">Page 79</p> <p>1 inserting a blind. Okay.</p> <p>2 And from that I questioned whether</p> <p>3 it was the appropriate risk tolerance. People</p> <p>4 thought they were doing their job safely. There</p> <p>5 was no word of it being done unsafely.</p> <p>6 Nobody raised any issues with it.</p> <p>7 It was acceptable, and there were actually</p> <p>8 procedures written to allow them to do the job the</p> <p>9 way they were doing it.</p> <p>10 Q. (BY MR. WILLIAMS) Well, let's talk about</p> <p>11 this concept of risk tolerance.</p> <p>12 Some plants, if you run a high --</p> <p>13 a plant that has a very good safety record, would</p> <p>14 you expect there to be a low tolerance for risk?</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 A. I would think a plant with a good safety</p> <p>17 record, that would be one element that would exist.</p> <p>18 Q. (BY MR. WILLIAMS) And the tolerance for</p> <p>19 risk at a plant, I mean, do you ever find that</p> <p>20 workers -- the workers that -- that were at your</p> <p>21 plant, did they ever really want to get injured or</p> <p>22 were they doing what they were -- thought and were</p> <p>23 trained to do was the appropriate thing?</p> <p>24 MR. GALBRAITH: Objection, form.</p> <p>25 A. I am not aware of any worker that entered</p>	<p style="text-align: right;">Page 81</p> <p>1 culture, correct?</p> <p>2 A. I think management has a role in the</p> <p>3 safety culture.</p> <p>4 Q. And, basically, if you find some hourly</p> <p>5 employee who doesn't follow the corporate standards</p> <p>6 for risk tolerance and good safe work practices,</p> <p>7 you can run their rear end off.</p> <p>8 You can fire them and probably</p> <p>9 should, right?</p> <p>10 MR. GALBRAITH: Objection, form.</p> <p>11 A. It's difficult to use a lens that</p> <p>12 determines an individual's risk tolerance. I mean,</p> <p>13 if an individual is not following known procedures,</p> <p>14 it's different.</p> <p>15 But it being do I know what the</p> <p>16 individual's risk -- each of the individual's risk</p> <p>17 tolerance is, I do not know. One of the reasons</p> <p>18 for doing the Telos Report was to get a better</p> <p>19 handle on what that tolerance was.</p> <p>20 Q. (BY MR. WILLIAMS) But let me go back</p> <p>21 to -- my point is that management if you think you</p> <p>22 have workers that are taking too many risks and</p> <p>23 aren't following your procedures and rules, you</p> <p>24 have the right and probably the responsibility of</p> <p>25 getting them out of your plant, true?</p>

<p style="text-align: right;">Page 82</p> <p>1 A. I have the right to take action.</p> <p>2 Q. And you have as the management, as the</p> <p>3 leadership team, has the responsibility if the</p> <p>4 culture is inappropriate and the risk tolerance is</p> <p>5 inappropriate, to take steps to change that, right?</p> <p>6 A. As leadership at the site, yes, sir.</p> <p>7 Q. In fact, you took steps to try to change</p> <p>8 that at Texas City, didn't you, sir?</p> <p>9 A. Yes, sir. I believe I took many steps.</p> <p>10 Q. You instituted a 1000 day program, right?</p> <p>11 A. Thousand days was originally designed to</p> <p>12 look at integration value. It was the metrics for</p> <p>13 integration value.</p> <p>14 But then as the company separated,</p> <p>15 I modified the 1000 day goals to be specific for</p> <p>16 the Texas City site.</p> <p>17 Q. But that's one of the --</p> <p>18 A. That's one of the --</p> <p>19 Q. -- one of the programs that you used to</p> <p>20 change the culture was the 1000 day program,</p> <p>21 correct?</p> <p>22 A. That is correct.</p> <p>23 Q. And one of the measures that you</p> <p>24 instituted at that plant to change the safety</p> <p>25 culture was the bold goals program, right?</p>	<p style="text-align: right;">Page 84</p> <p>1 these were not financial auditors. These were</p> <p>2 auditors designed only to look through safety</p> <p>3 lenses, were the people in compliance with</p> <p>4 procedures. These auditors were placed in</p> <p>5 full-time. We had around the clock shift director</p> <p>6 positions in which each of the shift supervisors</p> <p>7 then would meet each day, ensure communications and</p> <p>8 they were the single point accountability at the</p> <p>9 site. They were on the clock 24/7.</p> <p>10 Worked on adding inspectors to</p> <p>11 enhance I call it the PIP program, PIP standing for</p> <p>12 piping improvement program, a concerted effort</p> <p>13 of -- of improving the conditions of the word -- I</p> <p>14 used the word infrastructure, which is the piping.</p> <p>15 Q. Y'all had a bunch of old, thin pipe there</p> <p>16 and you needed to test it and check it --</p> <p>17 A. Go in --</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. The piping improvement program was to</p> <p>20 take piping, go in, inspect it, repair it, coat it,</p> <p>21 reinsulate it as necessary.</p> <p>22 Training was another one we</p> <p>23 enhanced. Training over time had gone to</p> <p>24 video-based. We were, I believe, a week away post</p> <p>25 the incident for having the first face-to-face</p>
<p style="text-align: right;">Page 83</p> <p>1 A. Bold goals and 1000 days are very</p> <p>2 related.</p> <p>3 Q. Okay.</p> <p>4 A. Bold goals were goals that would be</p> <p>5 achievable in a very long period of time.</p> <p>6 Q. And what other programs did you start in</p> <p>7 order to change the safety culture at that site</p> <p>8 once you became the BUL?</p> <p>9 A. Another program was the compliance</p> <p>10 delivery process. It was the program that involved</p> <p>11 education and training, auditing and then</p> <p>12 consequences, both positive and negative, based on</p> <p>13 that.</p> <p>14 We put in a just culture mind-set</p> <p>15 in which it was a decision tree to help supervisors</p> <p>16 determine what appropriate actions should be if an</p> <p>17 individual was acting unsafely.</p> <p>18 I put in four full-time auditors</p> <p>19 that would work various shifts, various days.</p> <p>20 Their role was to educate, ensure compliance and</p> <p>21 audits.</p> <p>22 Q. Safety audits?</p> <p>23 A. Safety procedures.</p> <p>24 Q. Okay.</p> <p>25 A. It was -- it was their -- that was --</p>	<p style="text-align: right;">Page 85</p> <p>1 training with every employee, and, basically, then</p> <p>2 employees would return to doing -- getting safety</p> <p>3 training face-to-face every quarter and not rely</p> <p>4 solely on -- VTA was the -- was the -- was the</p> <p>5 acronym for it, but video training.</p> <p>6 Held -- we started up what is</p> <p>7 called AARs or after action reviews. It means that</p> <p>8 any incident on safety needed to be reported and</p> <p>9 shared site-wide within 30 minutes of the incident.</p> <p>10 It didn't wait for investigation. It was to make</p> <p>11 sure that the entire workforce knew, understood and</p> <p>12 learned from the facts as they were known within 30</p> <p>13 minutes and they were to be shared with all the</p> <p>14 supervisors.</p> <p>15 We had a series of face-to-face</p> <p>16 sessions with the first level leaders. I believe</p> <p>17 the sessions were titled Safety Reality. That is</p> <p>18 where we spent a full day -- I personally spent a</p> <p>19 full day with all the first level leaders talking</p> <p>20 about where safety wasn't a priority, compliance,</p> <p>21 their role in this process. It was also the -- to</p> <p>22 share with them the just culture and compliance</p> <p>23 delivery process with them as well.</p> <p>24 Had a similar session with the</p> <p>25 union leadership, union hall as well to make sure</p>

22 (Pages 82 to 85)

<p style="text-align: right;">Page 86</p> <p>1 that the union leadership was aware of what we were  2 trying to do and the direction. We were also then  3 in the middle of meeting a-day-a-week, roughly  4 a-day-a-week with all of -- I coined the phrase  5 "top 100" at the site. That top 100 would be  6 described as anybody superintendent and higher in a  7 supervisor position, and that was living and  8 working on recommendations from the Telos Report.  9 The Number 1 recommendation from  10 Telos was to get clear accountabilities at the  11 site, especially given the site had evolved into a  12 separate business. So we were working on making  13 clear accountabilities for the top 100 putting in  14 actions associated with the findings from the  15 Telos.  16 There may be others, but those are  17 the ones I can -- I can recall.  18 Q. (BY MR. WILLIAMS) It sounds and I tried  19 to write them down, Mr. Parus, sounds -- and I  20 wrote down about 12 different things that you  21 initiated during your -- starting when you became  22 BUL in June of 2004 that you did to try to improve  23 the safety culture at that plant, right?  24 A. Actually, to improve safety. Safety  25 culture being part of that is the way I would</p>	<p style="text-align: right;">Page 88</p> <p>1 culture -- safety and safety culture at this plant,  2 right?  3 A. Changing the safety culture at that plant  4 was my Number 1 priority.  5 Q. You spent an enormous amount of time on  6 it, didn't you?  7 A. I believe I did.  8 Q. And that, quite frankly, sir, I think it  9 would -- has anybody ever accused you of being the  10 cause of the safety culture problem -- and we can  11 agree there was a safety culture problem, I think,  12 at that plant?  13 MR. GALBRAITH: Objection, form.  14 A. I think post incident, there was a safety  15 culture problem.  16 Q. (BY MR. WILLIAMS) Well, there was  17 actually a safety culture problem before that led  18 up to the incident, wasn't there?  19 A. Yes, sir.  20 Q. But no one has ever blamed -- I don't  21 know of anybody that's ever blamed you for the  22 safety culture problem at that plant.  23 A. I am not aware of anyone --  24 Q. Okay.  25 A. -- indicating or blaming me for that</p>
<p style="text-align: right;">Page 87</p> <p>1 describe them.  2 Q. Okay. And those -- let me run through  3 them real quickly. You started the 1000 day  4 program, Number 1. Number 2, bold goals for  5 compliance delivery process, just culture, added  6 four time -- four full-time safety auditors, round  7 the clock shift directors, added inspectors to  8 improve the piping situation, moving training from  9 video-based to face-to-face?  10 A. Classroom.  11 Q. Classroom. Added AARs, after action  12 reviews, face-to-face sessions with first level  13 leaders, safety reality, the PowerPoints you did,  14 right?  15 A. Yes, sir.  16 Q. Met with union leadership and tried to  17 meet a-day-a-week with the top 100 from the site,  18 correct?  19 A. Just to expand on the last one for a  20 little bit, the Telos Report, we spent two full  21 days with the top 100 getting the information from  22 the report. Then we spent a-day-a-week with them  23 following that working on the recommendations.  24 Q. It sounds like you spent a -- enormous  25 amount of time trying to change the safety</p>	<p style="text-align: right;">Page 89</p> <p>1 safety culture issue.  2 Q. We agree that that safety culture issue  3 or as I use the word, problem is something that  4 you, quite frankly, inherited when you became BUL  5 in June of '04, right?  6 MR. GALBRAITH: Objection, form.  7 A. Safety culture -- cultures in general  8 take years to form. Okay. So based on that I  9 would say I inherited the culture at the site in  10 June of '04.  11 Q. (BY MR. WILLIAMS) And this culture that  12 had taken years to form was a culture that  13 tolerated unacceptably high risk in the workplace,  14 right?  15 MR. GALBRAITH: Objection, form.  16 A. I would characterize that as a -- a -- a  17 culture that accepted higher risk regarding safety.  18 Q. (BY MR. WILLIAMS) Okay. And that was  19 backed up by the final report that there was a  20 culture problem, Number 1, that people didn't  21 recognize high risk and -- and -- and tolerated  22 unusually high risk, right?  23 MR. GALBRAITH: Objection, form.  24 A. Backed up the report that practices have  25 allowed that to evolve. That is correct.</p>

<p style="text-align: right;">Page 90</p> <p>1 Q. (BY MR. WILLIAMS) And the person that 2 was BUL immediately before you was who? 3 A. Rick Hale. 4 Q. Now, how long had Rick Hale been BUL? 5 A. Rick arrived in September of 2002 and 6 departed in June, early June of 2004. 7 Q. Which is when you became BUL in early 8 June of 2004? 9 A. When Rick left the site, that's when I 10 assumed his role. 11 Q. Was there tension between you and 12 Mr. Hale? 13 A. Not that I am aware of. 14 Q. Were there disagreements on philosophy, 15 management philosophy? 16 A. I don't believe so. 17 Q. It seems to me, sir, that I have counted 18 12 things that, basically, in the six months or 19 seven months after Mr. Hale left that you did to 20 try and improve safety which leads me to believe 21 that safety or the safety culture was, I guess, I 22 go back to what Lord Browne said, that there was a 23 broken safety record at Texas City? 24 A. I -- 25 MR. GALBRAITH: Is that the end of</p>	<p style="text-align: right;">Page 92</p> <p>1 action. 2 Q. (BY MR. WILLIAMS) And -- and, in fact, 3 the workers recognized in some ways that there were 4 gaps in safety at their plant, didn't they? 5 MR. GALBRAITH: Objection, form. 6 A. It was recognized by the workforce I 7 think as portrayed in the Telos Report. 8 Q. (BY MR. WILLIAMS) That's right. 9 A. That's -- that's where I would gain my -- 10 my source of information. 11 Q. But, in fact, you had personally 12 experienced, say after the second or third death in 13 '04, people were openly hostile to you in the 14 workforce, weren't they? 15 MR. GALBRAITH: Objection, form. 16 A. Can you be more specific? 17 Q. (BY MR. WILLIAMS) Well, let's talk 18 about -- did you attend the funeral of the person 19 who -- the second person to die as a result of the 20 September steam release, 500-degree steam release? 21 A. Ray Gonzalez? 22 Q. Yes. 23 A. Yes, I did. 24 Q. And did on that exact day, did the 25 newspaper article come out in the Galveston</p>
<p style="text-align: right;">Page 91</p> <p>1 your question? I object as to form. 2 A. I want to clarify a couple of the 12 that 3 you mentioned. All right? A couple of those, in 4 all fairness, were in the development stages, i.e., 5 the 1000 day goals bold goals and the shift 6 directors were in development while Rick was still 7 there -- late in, say, the second quarter of '04, 8 just to make the record clear. Okay? 9 Q. (BY MR. WILLIAMS) Okay. 10 A. The remaining ones we listed around just 11 culture, compliance delivery, putting the 12 inspectors in place, et cetera, then you have 13 accurately characterized the timing on those. Now, 14 if you could, please repeat your question to me. 15 Q. Okay. Well, it seems to me the fact that 16 you came in and -- and were the -- had started or 17 carried on 12 new or almost new safety programs 18 indicates to me that this was a plant that had had 19 significant gaps before that in safety? 20 MR. GALBRAITH: Objection, form. 21 A. I can tell you when I walked in in June, 22 I was coming in behind a fatality that had just 23 occurred a week before, a week or two before my 24 arrival in it. And quickly was faced with two more 25 fatalities in September that I needed to take</p>	<p style="text-align: right;">Page 93</p> <p>1 newspaper? 2 A. There was an article in the paper 3 published. 4 Q. As a result of that, when you went to the 5 changehouse that day, did people, quite frankly, 6 kind of refuse to shake your hand and part ways and 7 treat you kind of, I guess, vilify you in some 8 ways? 9 MR. GALBRAITH: Objection, form. 10 A. At the changehouse that morning, I did 11 not get a very warm reception from the workforce. 12 Q. (BY MR. WILLIAMS) Meaning they didn't -- 13 the people -- that the workers didn't want to shake 14 your hand, right? 15 A. They -- 16 Q. They parted ways to get around you? 17 A. -- gave me credit for authoring the 18 article that was in the newspaper the morning of 19 Ray's funeral and that caused them to be less than 20 appreciative of my presence. 21 Q. Let's be blunt. They wouldn't shake your 22 hand and they parted to kind of -- 23 A. They -- one individual refused to. Okay. 24 That's all I recall is one individual refusing to 25 do that. There may have been others, but I recall</p>



<p style="text-align: right;">Page 94</p> <p>1 at least one.</p> <p>2 Q. They kind of parted to stay away from</p> <p>3 you?</p> <p>4 A. Yes, sir.</p> <p>5 Q. At that point, did you feel like you had</p> <p>6 been working very hard and just took this one</p> <p>7 incident to kind of really emasculate or undermine</p> <p>8 a lot of the hard work you had been trying to do?</p> <p>9 MR. GALBRAITH: Objection, form.</p> <p>10 A. What I felt at the time is I felt the</p> <p>11 article if they believed I authored it would</p> <p>12 undermine my credibility with them.</p> <p>13 Q. (BY MR. WILLIAMS) And that -- and that</p> <p>14 article that we are speaking of in the Galveston</p> <p>15 paper, which you did not author, but indicated that</p> <p>16 the workers had been responsible for their own</p> <p>17 deaths, right?</p> <p>18 A. One could read the article as</p> <p>19 interpretation that the company was blaming the</p> <p>20 workers.</p> <p>21 Q. And in reality, you know from a</p> <p>22 perspective that blaming operators and blaming</p> <p>23 employees for deaths is really not an appropriate</p> <p>24 safety attitude at any responsible plant, right?</p> <p>25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 96</p> <p>1 role in developing the safety culture at any given</p> <p>2 plant.</p> <p>3 Would you agree?</p> <p>4 A. They play a role.</p> <p>5 Q. Not only a role but an important role and</p> <p>6 probably has the biggest influence of anybody on</p> <p>7 setting out what the safety culture is at a plant.</p> <p>8 Would you agree?</p> <p>9 MR. GALBRAITH: Objection, form.</p> <p>10 A. I would state that the management -- the</p> <p>11 leadership of the site plays a significant role for</p> <p>12 setting the safety culture.</p> <p>13 Q. (BY MR. WILLIAMS) And do you know of</p> <p>14 anybody that sets a more important role than</p> <p>15 leadership, than management?</p> <p>16 A. No, sir.</p> <p>17 Q. And so we know, now, and you realized --</p> <p>18 you felt it before but you -- it was -- it was</p> <p>19 brought home to you without any doubt by the Telos</p> <p>20 Report that you had a safety culture problem at</p> <p>21 that plant, right?</p> <p>22 A. The Telos Report identified there was a</p> <p>23 safety culture at the site.</p> <p>24 Q. No question about that, right?</p> <p>25 A. No, sir.</p>
<p style="text-align: right;">Page 95</p> <p>1 A. I didn't blame the operators at any point</p> <p>2 in time on this event.</p> <p>3 Q. (BY MR. WILLIAMS) But there's -- there</p> <p>4 is a mind-set by some people when there is an</p> <p>5 explosion or fire or something to blame the</p> <p>6 operators and, you know, that that's not the proper</p> <p>7 mind-set. That, in fact, that's just a start of</p> <p>8 where one should start to begin to investigate</p> <p>9 because people don't intentionally mean to blow up</p> <p>10 something or start fires.</p> <p>11 Would you agree?</p> <p>12 MR. GALBRAITH: Objection, form.</p> <p>13 A. I don't know what people think or what</p> <p>14 they mean. I mean, from my experience each</p> <p>15 investigation -- each incident needs the</p> <p>16 investigation, and you cannot assess blame until --</p> <p>17 the cause of it until the investigation is</p> <p>18 complete. And one of the things we -- tools I</p> <p>19 would use would be the questions in the just</p> <p>20 culture -- would be that I would go through that</p> <p>21 series of questions that helps -- determines where</p> <p>22 the blame is placed.</p> <p>23 Q. (BY MR. WILLIAMS) Well, let me go back.</p> <p>24 We had established, I believe, earlier that</p> <p>25 management, i.e., leadership, plays a significant</p>	<p style="text-align: right;">Page 97</p> <p>1 Q. And by that, you mean that you agree it</p> <p>2 was undeniable when you got the Telos Report that</p> <p>3 there was a safety culture problem.</p> <p>4 Would you agree?</p> <p>5 MR. GALBRAITH: Objection, form.</p> <p>6 A. Reading and receiving the Telos Report</p> <p>7 and listening to the presentation from the</p> <p>8 consultant for the first day on the results of it</p> <p>9 would leave -- would leave me to believe there is a</p> <p>10 safety culture problem at the site.</p> <p>11 Q. (BY MR. WILLIAMS) Okay. Not only lead</p> <p>12 you to believe that but it was -- was there any</p> <p>13 doubt in your mind?</p> <p>14 A. It left very little doubt.</p> <p>15 Q. Okay. And so that was first -- that</p> <p>16 Telos Report was first described to you, the</p> <p>17 results when? In January of '05?</p> <p>18 A. Late January of '05, I was, I believe,</p> <p>19 getting my first look at the Telos Report.</p> <p>20 Q. But this culture -- as we developed</p> <p>21 earlier, this culture problem that you had at the</p> <p>22 plant, it hadn't developed overnight and likely</p> <p>23 hadn't -- certainly, hadn't developed during the</p> <p>24 previous six or seven months while you had been</p> <p>25 BUL, correct?</p>

25 (Pages 94 to 97)

<p style="text-align: right;">Page 98</p> <p>1 A. I believe the site culture developed over 2 many years. I am not sure I could make a more 3 definitive timeline for you. I don't have the 4 history there, had not been there, but I would use 5 years in the timeframe to describe how the culture 6 developed. 7 Q. And -- and that would certainly reflect 8 in the fact that there had been some 23 deaths 9 up -- at the time you got the Telos Report, there 10 had been some 23 deaths in a 30-year period right? 11 MR. GALBRAITH: Objection, form. 12 A. I understand that as to be a fact. 13 Q. (BY MR. WILLIAMS) Okay. And that 14 whatever management had done or failed to do -- we 15 know another fact is that in the 1999 period for 16 the next three or four year, budgets were cut. 17 There was a mandate to cut budgets 18 by 25 percent, right? 19 MR. GALBRAITH: Objection, form. 20 A. The best I can answer you on that, '99 to 21 2000 time period, not being there, the best I can 22 say is I was aware there was a 25 percent cost 23 challenge. How much of that Texas City 24 implemented, I can't give you that. 25 Q. (BY MR. WILLIAMS) Well, we know, for</p>	<p style="text-align: right;">Page 100</p> <p>1 Q. Yeah. Could you ask those kind of 2 questions? 3 A. No, it's not -- it's not an interactive 4 training class. It is a document you read and then 5 you are tested on how well your understanding of -- 6 comprehension of that document. It is not 7 interactive. 8 Q. Do you think people shared the answers 9 around the plant? 10 A. I don't know, sir. 11 Q. And the fact that it wasn't important 12 enough to have a classroom and a face-to-face deal, 13 didn't that send a message to the workforce that 14 perhaps safety was not as priority, the Number 1 15 priority as it should have been? 16 MR. GALBRAITH: Objection, form. 17 A. I don't know what the message was. I 18 don't know the reason behind it. My view was I 19 wanted to change that. 20 Q. (BY MR. WILLIAMS) You saw it as a 21 deficiency, didn't you? 22 A. I wanted to -- I wanted to enhance the 23 delivery of training on the site and move it from a 24 computer to a classroom. 25 In fact, the first session was set</p>
<p style="text-align: right;">Page 99</p> <p>1 instance, that with regard to training that the 2 training in Texas City was no longer face-to-face. 3 It was computer based, right? 4 A. When I arrived, it was computer-based. 5 Q. And let's face it. You know, when 6 someone has to go take a computer test, that 7 doesn't have the same -- that doesn't seem to send 8 the same message to the workforce as, "Hey, you are 9 going to take a day off from your normal 10 responsibilities and spend it in a classroom and 11 have live interaction with a human being where you 12 can ask questions and get feedback," agreed? 13 A. I would -- 14 MR. GALBRAITH: Objection, form. 15 A. I would agree that classroom training in 16 which leadership was present and able to espouse 17 what the priorities are, what the desired safety 18 culture is, is much more powerful than learning 19 safety on a computer terminal. 20 Q. (BY MR. WILLIAMS) You can't ask a 21 computer a question like, "Hey, what really 22 happened back then and how can I prevent it?" 23 The computer doesn't answer 24 questions like that, correct? 25 A. No, I took the training on the computer.</p>	<p style="text-align: right;">Page 101</p> <p>1 up to be -- we rented a movie theater. We were 2 going to have 400 -- and I was going to -- I was 3 personally going to address every individual that 4 came through that plant in the first safety class. 5 Q. Now, how would we explain, sir, to the 6 jury that a man that set up or furthered what 7 appears to be 12 different safety programs -- and I 8 take it you were doing your best with regard to 9 safety before this fire and explosion in March, 10 '05? 11 A. It was my top priority. 12 Q. How do we explain then to the Ladies and 13 Gentlemen of this jury the treatment that BP has 14 given you since that, by basically sending you 15 home? How do we explain that? 16 MR. GALBRAITH: Objection, form. 17 A. I can't. I don't know what BP is 18 thinking. Okay. They have not shared with me. I 19 can't explain it for you. 20 Q. (BY MR. WILLIAMS) Has the new -- who is 21 the new BUL? 22 A. Colin Maclean, I believe, is the new BUL 23 put in place. 24 Q. Did Colin Maclean ever come to you and 25 say, "Hey, the upper management's told me to come</p>

<p style="text-align: right;">Page 102</p> <p>1 and learn some lessons from what you did and 2 educate me on what's going on out there." 3 Did he ever do that? 4 MR. GALBRAITH: Objection, form. 5 A. Colin called me about two weeks after his 6 arrival. Colin had called me and said, "I would 7 like to sit down with you, learn from you, 8 understand what you were doing. I have tremendous 9 respect for you. I would like to gain your insight 10 for that. I am heading to the UK to be back with 11 my family. I'll be back in a week or two, I will 12 call you and set up a dinner." 13 I did not receive another call. 14 Q. (BY MR. WILLIAMS) It just seems to 15 me that -- well, do you view yourself as an 16 important resource, a "go to guy" if someone who 17 wanted to know what in the world was really going 18 on at the Texas City refinery before this fire and 19 explosion, what efforts were being made with regard 20 to safety, what was working or not working? It 21 seems that whether they agreed or disagreed with 22 you, someone would want to call and find out the 23 answers to all those things; is that right? 24 A. I would agree with you -- 25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 104</p> <p>1 City -- if BP really wanted to know what was the -- 2 what -- what have we learned and what can Don Parus 3 share with us from what was going on at that plant, 4 the summary is -- is they spent less than 35 5 minutes in the past 13 months trying to get that 6 information from you? 7 A. That is accurate. 8 Q. What do you think is going to happen 9 after June 30th? 10 A. I am unclear, unsure. I mean, there has 11 been no communications for me to get a read or get 12 a data point to determine what it is. I -- again, 13 when I got the letter on February 9th, there was no 14 read on that as well. I don't know what they were 15 going to do. 16 Q. Do you feel any pressure that what you 17 say today, quite frankly, may effect whether or not 18 you get a paycheck after June 30th, eight days from 19 now? 20 A. I don't feel that. I mean, what I tell 21 you today is the truth as I know it through my 22 eyes. It doesn't impact whether I am on the 23 payroll getting paid or not. It doesn't change my 24 answers. 25 Q. Do you think BP is -- do you think they</p>
<p style="text-align: right;">Page 103</p> <p>1 A. I would agree with you that I view myself 2 as an important resource in that process. 3 Q. (BY MR. WILLIAMS) Yet, has anybody at BP 4 contacted you other than the phone call from Colin 5 Maclean that -- where he said he was going to have 6 dinner with you but failed to, any other attempt to 7 debrief you to -- on the safety culture there? 8 MR. GALBRAITH: Objection, form. 9 A. My only contact was the Tim Holt 10 interview. There has been no contact or interview 11 since that point or subsequent to Colin's call to 12 me. 13 Q. (BY MR. WILLIAMS) And so -- and the 14 Tim Holt interview you are talking about is some 15 30 pages where they, in front of a court reporter, 16 like today, they spent 30 minutes with you or 17 something, right? 18 A. I don't know the exact time but it was 19 somewhere in the April of 2004 timeframe. You may 20 know the pages or length of it. It felt like about 21 30 minutes. 22 Q. Right. So if -- and how long was your 23 phone call with Colin Maclean? 24 A. A matter of minutes. 25 Q. So if we were to total up, if Texas</p>	<p style="text-align: right;">Page 105</p> <p>1 care about your career or your future? 2 MR. GALBRAITH: Objection, form. 3 A. I, quite frankly, don't know. 4 Q. (BY MR. WILLIAMS) And you don't know in 5 eight days whether you will receive your last 6 paycheck or not, right? 7 A. No, sir, I do not. 8 Q. Has BP done anything to come to your 9 defense -- 10 MR. GALBRAITH: Objection, form. 11 Q. (BY MR. WILLIAMS) -- to help save your 12 reputation? 13 A. If they have, then I am not aware of it. 14 Q. Now, they are, quite frankly, under the 15 corporate guidelines, they are providing you with 16 a -- an attorney who is specific to you, correct? 17 A. Yes, sir. 18 Q. And they are paying for that? 19 A. Yes, sir. 20 Q. Now, this safety culture issue or problem 21 that existed that had been years or decades in the 22 making at this plant, do you think that it was 23 totally unknown to people up the chain of command 24 from you? 25 MR. GALBRAITH: Objection, form.</p>

<p style="text-align: right;">Page 106</p> <p>1 A. No, sir.</p> <p>2 Q. (BY MR. WILLIAMS) In fact, people above</p> <p>3 you did know and had knowledge that there had been,</p> <p>4 as you said, underfunding or lack of investment in</p> <p>5 this plant, which had resulted in lack of</p> <p>6 maintenance, maybe a rundown condition, lack of</p> <p>7 training.</p> <p>8 Would you agree with that?</p> <p>9 MR. GALBRAITH: Objection, form.</p> <p>10 A. I shared with the leadership above me my</p> <p>11 plan, my actions, my reasoning for moving forward</p> <p>12 based on the incident around fatalities based on</p> <p>13 the Telos Report. The plan forward was presented</p> <p>14 and shared with leadership above me.</p> <p>15 Q. (BY MR. WILLIAMS) And with whom would</p> <p>16 that be? Who did you -- who are you speaking of?</p> <p>17 A. The most recent one is sometime in</p> <p>18 February, there was a review, an extensive review</p> <p>19 with Mike Hoffman and Pat Gower and myself and a</p> <p>20 few of my leadership members covering this very</p> <p>21 topic.</p> <p>22 Q. Pat Gower being the U.S. vice president?</p> <p>23 A. Pat Gower being the U.S. regional vice</p> <p>24 president. Mike Hoffman being the group's vice</p> <p>25 president for refining.</p>	<p style="text-align: right;">Page 108</p> <p>1 presented them in. I am trying to recall them for</p> <p>2 you.</p> <p>3 Q. When you say infrastructure --</p> <p>4 A. Piping.</p> <p>5 Q. -- that the plant had -- it had some</p> <p>6 piping problems that had been ignored for years?</p> <p>7 A. The piping --</p> <p>8 MR. GALBRAITH: Objection, form.</p> <p>9 A. The piping needed to be inspected and</p> <p>10 addressed.</p> <p>11 Q. (BY MR. WILLIAMS) Okay. And that had</p> <p>12 been -- it was run down, wasn't it?</p> <p>13 MR. GALBRAITH: Objection, form.</p> <p>14 A. The piping, via the Telos, I know they</p> <p>15 were saying it was undermaintained,</p> <p>16 undermaintained.</p> <p>17 Q. (BY MR. WILLIAMS) Undermaintained. Okay.</p> <p>18 A. Can you read back the ones I shared with</p> <p>19 you to make sure I'm --</p> <p>20 Q. Accountability and infrastructure.</p> <p>21 A. Okay. Compliance was a third one.</p> <p>22 Q. Is that kind of the safety culture that</p> <p>23 people --</p> <p>24 A. It's part of the culture, but I would</p> <p>25 feel it is an element of it. And that is making</p>
<p style="text-align: right;">Page 107</p> <p>1 Q. And did you explain to them in</p> <p>2 February '05, the findings of the Telos Report?</p> <p>3 A. Yes, sir.</p> <p>4 Q. And did you --</p> <p>5 A. Along with the follow-up actions.</p> <p>6 Q. Okay. How -- how did you characterize</p> <p>7 the findings of the Telos report to Mr. Hoffman and</p> <p>8 Mr. Gower?</p> <p>9 A. The exact words are unclear, but I</p> <p>10 represented the highlights being -- I think there</p> <p>11 were five points that I picked out of the Telos</p> <p>12 Report that needed to be addressed.</p> <p>13 Q. Do you recall those?</p> <p>14 A. Accountabilities being Number 1, needed</p> <p>15 clear accountabilities especially given the</p> <p>16 organizational flux that had been gone through.</p> <p>17 Two, infrastructure, conditions of the</p> <p>18 infrastructure.</p> <p>19 Q. And the --</p> <p>20 A. And these are not in particular order.</p> <p>21 I'm trying to remember --</p> <p>22 Q. Sure.</p> <p>23 A. I am going back in time and trying to</p> <p>24 remember these. So they are in -- they're not in</p> <p>25 what I would say a particular order that I</p>	<p style="text-align: right;">Page 109</p> <p>1 sure people are compliant with existing procedures.</p> <p>2 They're following them.</p> <p>3 Q. Okay.</p> <p>4 A. Procedures would be another one, being</p> <p>5 complex and differently interpreted plant-wide.</p> <p>6 And the fifth one being training,</p> <p>7 but I prefaced it that I am not sure which order we</p> <p>8 presented those areas. But those were the five</p> <p>9 take-aways that we were going to work on as a site</p> <p>10 to help be the catalyst for the change in the</p> <p>11 culture. And then set up various programs, the 12</p> <p>12 programs you listed kind of fall underneath those</p> <p>13 five areas.</p> <p>14 Q. Did you share with them the Telos Report</p> <p>15 itself?</p> <p>16 A. I didn't have a copy to share with them.</p> <p>17 Q. Did they ask for one?</p> <p>18 A. They did not ask for one that I recall.</p> <p>19 Q. In fact, had they been offered, though,</p> <p>20 the opportunity to be interviewed as part of the</p> <p>21 Telos process?</p> <p>22 A. I don't know because the interviews were</p> <p>23 kept confidential. I am not sure whether they were</p> <p>24 asked, offered or even participated. I only know</p> <p>25 that a hundred -- a hundred plus were interviewed</p>

<p style="text-align: right;">Page 110</p> <p>1 and 1100 returned the survey.  2 Telos did not want to share with  3 me individual names because they wanted to avoid  4 anybody in the leadership trying to place a comment  5 in the report to an individual.  6 Q. Did you make this presentation in writing  7 or use a PowerPoint to make this presentation to  8 Messrs. Hoffman and Gower?  9 MR. GALBRAITH: Objection, form.  10 A. Not in writing. It was PowerPoint slide  11 or slides used and, typically, a lot of  12 conversation. That was kind of the accepted way in  13 the corporation to have meetings. It was not  14 writing a formal presentations but to have a  15 dialogue.  16 Q. (BY MR. WILLIAMS) And where was this  17 meeting in?  18 A. The best I can tell you is that it was in  19 a downtown hotel.  20 Q. In what city?  21 A. In Houston.  22 Mike had arrived for an API  23 meeting and said "Good time to check in." So Mike  24 and Pat were there and I brought four to five  25 members of my leadership team there to accompany me</p>	<p style="text-align: right;">Page 112</p> <p>1 it with Mike.  2 Q. (BY MR. WILLIAMS) Okay.  3 MR. WILLIAMS: We have to change  4 the tape. So we will take a quick break.  5 THE VIDEOGRAPHER: Off the record  6 at 11:32 a.m., ending Tape 2.  7 (Recess taken.)  8 THE VIDEOGRAPHER: On the record  9 at 11:45 a.m., beginning Tape 3.  10 Q. (BY MR. WILLIAMS) We have a PowerPoint  11 that's been provided that I believe it's dated  12 February 14th, '05.  13 Would that be the one that you  14 showed to Mr. Hoffman and Gower?  15 MR. GALBRAITH: Objection, form.  16 A. I have to see it to be able to answer  17 that question.  18 Q. (BY MR. WILLIAMS) Okay. We will try and  19 pull it up here in a minute.  20 But the fact that it was on  21 Valentines Day, that doesn't jog your memory any?  22 A. No, sir.  23 Q. Okay.  24 A. Mid February -- off site mid February is  25 the closest I can come. I don't know what the date</p>
<p style="text-align: right;">Page 111</p> <p>1 in this meeting.  2 Q. And how long did it last, if you recall?  3 A. It started at noon and I would say  4 probably five to six hours in total. I didn't  5 really track it much closer than that.  6 Q. Did they seem surprised that when you  7 reported to them that you had problems at that  8 plant or inherited problems with the  9 infrastructure, compliance issues, procedures,  10 training and accountability?  11 MR. GALBRAITH: Objection, form.  12 A. I don't know what they seemed. They  13 didn't -- it didn't -- I mean, I didn't get any  14 blank stares back. It's hard for me to describe  15 what you mean by how to describe the surprise, but  16 it didn't seem to be a shock to them.  17 Q. (BY MR. WILLIAMS) Well, you know, the --  18 the -- a well-run, safe plant, would you agree,  19 should not have to be facing these five areas of  20 problem areas meaning accountability,  21 infrastructure, compliance, procedures and  22 training?  23 A. This was not the first --  24 MR. GALBRAITH: Objection, form.  25 A. This was not the first time that I shared</p>	<p style="text-align: right;">Page 113</p> <p>1 is. Valentines, I --  2 Q. They didn't give you roses or anything?  3 A. No, sir.  4 Q. Okay. Now, this meeting mid February,  5 off-site, '05, that lasted five to six hours, did  6 you give a -- a full explanation and briefing to  7 Messrs. Hoffman and Gower about the information  8 that you received in the Telos Report?  9 A. The meeting covered three topics. Let's  10 be clear on that. The first topic and the longest  11 topic was a safety overview, and it included Telos  12 follow-ups on fatalities, compliance, delivery  13 audits, all the things we discussed.  14 The second topic then was titled  15 repositioning, update on repositioning the site.  16 The third topic being on  17 governance -- now, post the separation of company.  18 So the meeting went on for five to six hours  19 covering those three topics.  20 Q. Governance just means just how you  21 structure it?  22 A. How you organize it is the best way to  23 say it.  24 Q. Okay.  25 A. Because we are still a chemical company,</p>

<p style="text-align: right;">Page 114</p> <p>1 chemical site and refinery still underneath my 2 leadership that had different structures below me. 3 Q. Repositioning? What does that mean? 4 A. For the refinery as to what feed -- what 5 feed it would run, what crude it would run, what 6 units run, what products would it make, how you 7 would reposition how it operates. 8 Q. Question about, "Are we making -- are we 9 going to make gasoline? Are we going to make 10 diesel? Are we going to make jet fuel" or that 11 kind of stuff? 12 A. Yes, and also what crudes and things we 13 would -- we would use to make that slate. 14 Q. Got you. And the safety overview is the 15 part I am interested in. 16 How much time do you think that 17 was devoted to that topic, the safety overview 18 topic at that meeting, the February, mid February 19 off-site meeting? 20 A. I didn't keep time. I'd estimate two and 21 a half hours maybe. 22 Q. Okay. 23 A. Okay. I -- I don't have any better 24 recollection than that. 25 Q. And during that estimated two and a half</p>	<p style="text-align: right;">Page 116</p> <p>1 would characterize the presentation to be the 2 honest truth of the Telos Report. 3 Q. Okay. Full disclosure. 4 Would that be appropriate? 5 MR. GALBRAITH: Objection, form. 6 A. Not having the report in front of me, not 7 being able to share it with them, I am not sure I 8 could say full closure. Again, I think I shared 9 with them what I thought the five top themes were 10 of the safety culture as presented to me through 11 Telos. 12 There's a difference between 13 sitting in a presentation and reading the report. 14 Q. (BY MR. WILLIAMS) Now, I am curious as to 15 why neither of them ever took the time to read the 16 Telos Report. 17 Do you have any explanation? 18 A. I can't answer that for you. 19 MR. GALBRAITH: Objection, form. 20 A. I don't know. 21 Q. (BY MR. WILLIAMS) And? 22 A. I don't know if they even requested it. 23 I just don't know. 24 Q. (BY MR. WILLIAMS) Right. 25 Now, if they had desired to know</p>
<p style="text-align: right;">Page 115</p> <p>1 hours, did you hold back on what you had learned 2 from Telos? In other words, were there -- was 3 there anything that you thought, "Gosh, I am 4 embarrassed about this. It will hurt my career if 5 I tell these guys, or am I going to give them a 6 term we've heard before, the brutal facts"? 7 MR. GALBRAITH: Objection, form. 8 A. First, I would characterize is as a 9 discussion. 10 Okay. All my leadership and 11 myself participated in it. I would not 12 characterize that we withheld any information. 13 Q. (BY MR. WILLIAMS) Did you give them the 14 brutal facts as outlined in Telos? 15 MR. GALBRAITH: Objection, form. 16 A. I described a culture through the five 17 lenses I talked about with you to them. 18 Q. (BY MR. WILLIAMS) Okay. You know in 19 Telos it says that the purpose of -- one of the 20 purposes of Telos was just to gather, quote, the 21 brutal facts, close quote, right? 22 A. That's correct. 23 Q. And did you relay to them those that 24 Telos characterized as the brutal facts? 25 A. I am not sure I used those words, but I</p>	<p style="text-align: right;">Page 117</p> <p>1 more and get to the, quote, brutal facts outlined 2 in the Telos Report and then asked for a copy, you 3 would have had it to them overnight or faxed or 4 e-mailed, wouldn't you? 5 A. I would have -- 6 MR. GALBRAITH: Objection, form. 7 A. I would have called Telos, requested -- 8 put the request in immediately. 9 Q. (BY MR. WILLIAMS) And they would have 10 gotten it quickly, right? 11 MR. GALBRAITH: Objection. 12 A. I'm assuming so. 13 Q. (BY MR. WILLIAMS) Okay. 14 A. I have nothing to believe that they would 15 not. 16 Q. And how did you characterized -- you said 17 you characterized for them the safety culture. 18 How would you characterize it? 19 A. The best of my memory at that session was 20 they characterized it going through each of the 21 lenses of the culture, that there was issues around 22 compliance. Okay. I think they used the word 23 casual compliance, issues around infrastructure. 24 We used those five lenses to 25 characterize the culture and that there was a -- we</p>

<p style="text-align: right;">Page 118</p> <p>1 talked about the risk tolerance because I raised  2 that term prior to commissioning the Telos Report.  3 That is a term that I used when I reviewed the  4 follow-up from the September fatalities with upper  5 management.  6 Q. We'll come back to risk tolerance, but  7 did they ask questions, like say to you, I guess,  8 they would call you by your first name, did they  9 say, "Don, how did we get into this situation where  10 we have problems with the infrastructure, we have  11 problems with compliance, problems with  12 accountability, problems with procedures and  13 problems with change?"  14 Did they ask you that?  15 MR. GALBRAITH: Objection, form.  16 A. The majority of the discussion was not  17 how we got to where we were. The majority of the  18 discussions and questions were on what were we  19 doing to improve it.  20 Q. (BY MR. WILLIAMS) Is there any doubt that  21 at the end of that meeting it was effectively and  22 clearly communicated to Messrs. Hoffman and Gower  23 that there at that Texas City plant, there were  24 problems in those five areas being accountability,  25 infrastructure, compliance, procedures, and</p>	<p style="text-align: right;">Page 120</p> <p>1 fatalities, made a trip to London to review action  2 items with John Manzoni and his -- and his direct  3 reports regarding the safety at the site.  4 And I believe it was in the August  5 timeframe and October timeframe. There were also  6 one or two -- I would classify them as quarterly  7 reviews that we have at the site with Pat Gower,  8 which Pat would come to the site and discuss and  9 also walk around and talk to people at the site.  10 I think also in this time period  11 that Greg Coleman the vice president of health,  12 safety and environment for the entire corporation  13 made a visit to the site in December of 2004.  14 Those are the ones that I can recall at this point.  15 Q. Let me ask you: For an experienced  16 person in a refinery, would it be obvious to an  17 experienced person when you walk into the Texas  18 City plant, refinery, back in this timeframe, July  19 of 2004 through December of 2004, that the assets  20 there had been undermaintained, that there were  21 things that were in disrepair?  22 A. The general appearance of the site would  23 lead you to that belief.  24 Q. And especially if you were an experienced  25 person, you could just look at the plant during</p>
<p style="text-align: right;">Page 119</p> <p>1 training?  2 MR. GALBRAITH: Objection, form.  3 A. In my mind, we made it clear. I'm not  4 sure. I can't speak to what they took away, but,  5 in my mind, I thought myself and my team made it  6 clear to them.  7 Q. (BY MR. WILLIAMS) Communicated clearly  8 those were five problem areas?  9 A. Communicated clearly there were five  10 problems areas and in follow-up with here's what we  11 are doing in each of these areas. The action items  12 fit underneath that umbrella.  13 Q. Now, this was not -- this mid  14 February '05 was not the first time that you, even  15 though you had only been BUL for six or seven  16 months, it's not the first time you had spoken with  17 the people above you about some of the safety  18 culture problems at that plant, true?  19 A. That's correct.  20 Q. To whom had you spoken previously?  21 A. Sometime in either July of 2004 period  22 John Manzoni made a two-day visit at the site and a  23 high percentage of the time was devoted to talking  24 about safety.  25 I have also, following the</p>	<p style="text-align: right;">Page 121</p> <p>1 that time period and see, "We haven't been  2 maintaining this plant up to standards," fair  3 statement?  4 A. It would give that appearance, yes.  5 (Exhibit Number 496 marked for  6 identification.)  7 Q. (BY MR. WILLIAMS) Okay. And when you --  8 I am going to mark this as Exhibit 496 being an  9 organizational chart. And I apologize, I can't  10 tell you the exact date; but it has Lord Browne at  11 the top and it has a direct report to Lord Browne  12 being John Manzoni who is the man that you  13 mentioned that came to the plant for a two-day  14 visit in July of 2004, correct?  15 A. That is correct.  16 Q. And right below Mr. Manzoni would be  17 Mike Hoffman that you have -- of whom you have  18 spoken before, correct?  19 A. That is correct.  20 Q. And it shows below Mike Hoffman is who?  21 A. Myself, sir.  22 Q. And is that accurate that if we were to  23 look at the organizational chart from your  24 perspective during -- from the BUL perspective of  25 the plant running the Texas City refinery while you</p>

<p style="text-align: right;">Page 122</p> <p>1 were there, you reported to Mike Hoffman who 2 reported to Manzoni who reported to Lord John 3 Browne? 4 MR. GALBRAITH: Objection, form. 5 A. It would be correct from January of 2005 6 onward. I still had the other role from June to 7 December. So it's not showing the role also 8 reporting to the chemical side of the organization. 9 Q. (BY MR. WILLIAMS) Okay. But well, let's 10 take that part from when you became BUL in June of 11 '04 until the end of December, end of December '04, 12 specifically with the Texas City refining part 13 did -- did -- would that be the correct hierarchy? 14 MR. GALBRAITH: Objection, form. 15 A. Pat Gower is not shown on that chart. 16 Q. (BY MR. WILLIAMS) Okay. So Pat Gower 17 would be between you and Mike Hoffman? 18 A. That's correct. And I am not sure when 19 the timing Pat was added to the organization, but 20 Pat would be -- he needs -- he needs to be shown in 21 that chart. 22 Q. Okay. I am just going to pin him in 23 here. So if we add in Pat Gower between there, 24 that's -- is that an accurate chart showing 25 reporting while you were BUL from -- just for the</p>	<p style="text-align: right;">Page 124</p> <p>1 am just kind of confused, how would we change this 2 chart? We would have had to add those two? 3 A. You would have -- 4 Q. -- general vice presidents? 5 A. Well, what you would end up doing before 6 that is is that you would have to add more 7 reporting relationship to that chart because I 8 reported to Pat on the Texas City BUL job, but then 9 you would have to show a line to Mike Hoffman and a 10 line to the chemicals, which if you would slide 11 your chart slightly to the left where Mike 12 Buzzacott's name is -- 13 Q. Right. 14 A. -- that is the dotted line, that would be 15 where it become -- although, I can -- the names on 16 the chart -- there is Holly's name. You were 17 asking how to spell Holly's name. 18 Q. Van Deursen who's the -- 19 A. There is. 20 Q. -- group VP of chemicals? 21 A. Right. There's where you would add a 22 line coming from me to her as well as to Mike in 23 director of BP South Houston role. 24 Q. Okay. I want to try and get this right, 25 if I can, so I am going to -- I am adding in there</p>
<p style="text-align: right;">Page 123</p> <p>1 Texas City refinery part? 2 A. Again June -- 3 MR. GALBRAITH: Objection, form. 4 You are showing him a piece of 5 that exhibit on the screen, asking him about the 6 whole exhibit -- asking him questions about the 7 whole exhibit. I would ask that you show him the 8 whole exhibit if you are going to ask him questions 9 about the whole exhibit and not be shown a piece of 10 it. 11 Q. (BY MR. WILLIAMS) Okay. I am just 12 asking about the Texas City refinery part, your 13 part. 14 Is that accurate, you to Gower to 15 Hoffman to Manzoni up to Lord Browne? 16 A. From January 1 of 2005 onward. 17 Q. Okay. 18 A. That would be accurate. 19 Q. Okay. 20 A. But also, by the way, my title would not 21 be that as well. 22 Q. Okay. 23 A. The title would change from director of 24 BP South Houston to Texas City site director. 25 Q. Okay. Before that part -- that's where I</p>	<p style="text-align: right;">Page 125</p> <p>1 your title. 2 See where I added, slash, BUL, 3 business unit leader? 4 A. Uh-huh. 5 Q. And I kind of made that mark line of from 6 Holly over to Mike to you? 7 A. Okay. And then you -- we need to add one 8 from me to Mike as well. 9 Q. I've got you. 10 A. So during the -- during the June of 2004 11 period to December 31st of 2004, Mike Hoffman and 12 Holly Van Deursen were called the board in BP and I 13 reported to that board for BP South Houston. 14 Q. I am going to take away that arrow 15 because that's not appropriate. 16 A. And then I, also, at the same time period 17 reported up through Pat for the Texas City 18 refinery. 19 Q. Okay. So have I got it right now? 20 During the whole time period from -- let's say from 21 June, '04 to the explosion, you either reported 22 directly up to Mike to Manzoni, Lord Browne and at 23 some part of that time also reported to Mike and to 24 Holly Van Deursen? 25 A. From June to December, multiple</p>



<p style="text-align: right;">Page 126</p> <p>1 reporting --</p> <p>2 Q. Right.</p> <p>3 A. -- to Pat, Mike and Holly. From then,</p> <p>4 from January 1 forward, I reported, then, strictly</p> <p>5 through Pat.</p> <p>6 Q. Okay. Who would go up through Hoffman,</p> <p>7 Manzoni to Browne?</p> <p>8 A. That is correct.</p> <p>9 Q. Okay. And you had gotten to know, I</p> <p>10 guess, Manzoni and Lord Browne and Mike Hoffman</p> <p>11 those three are all London-based, right?</p> <p>12 A. What time period do you ask?</p> <p>13 Q. Well, it changes, doesn't it?</p> <p>14 A. Yes, sir.</p> <p>15 Q. During the time that you were in London,</p> <p>16 the three plus years you were in London, you had</p> <p>17 gotten to know Mr. Hoffman, Mr. Manzoni and Browne?</p> <p>18 A. John was in Ross Pillari's job in the</p> <p>19 U.S. So I knew John for just a short period of</p> <p>20 time. John was actually Ross Pillari's predecessor</p> <p>21 in Chicago.</p> <p>22 Q. Okay. And what about Lord Browne?</p> <p>23 A. I met him on, I think best described, a</p> <p>24 handful of occasions. Okay. So I wouldn't</p> <p>25 characterize it as I got to know him. I got to</p>	<p style="text-align: right;">Page 128</p> <p>1 there had been a lack of maintenance at that plant,</p> <p>2 right?</p> <p>3 MR. GALBRAITH: Objection, form.</p> <p>4 A. Back to clarify, I don't know what John</p> <p>5 thought or viewed. Okay. And I want to make sure</p> <p>6 I understand clearly what your other question was.</p> <p>7 Q. (BY MR. WILLIAMS) You knew from looking</p> <p>8 at the plant in July that the plant had a lack of</p> <p>9 maintenance, right?</p> <p>10 A. I would characterize -- I would</p> <p>11 characterize that the plant was underinvested. It</p> <p>12 needed more maintenance.</p> <p>13 Q. Okay. Underinvested and needed more</p> <p>14 maintenance, that was your observation in July of</p> <p>15 '04, right?</p> <p>16 A. Yes, sir.</p> <p>17 Q. Okay. And when Mr. Manzoni came in July</p> <p>18 of '04 for two days, did he go out and look at the</p> <p>19 plant?</p> <p>20 A. During the schedule John made one or two</p> <p>21 safety audits of the plant. Okay.</p> <p>22 Q. And if he has any experience in looking</p> <p>23 at plants, would you agree with me that it would</p> <p>24 have been obvious to the trained observer that the</p> <p>25 plant had been undermaintained?</p>
<p style="text-align: right;">Page 127</p> <p>1 meet him.</p> <p>2 Q. Did you call him John or Lord or Lord</p> <p>3 Browne or --</p> <p>4 A. That evolved.</p> <p>5 Q. What was the protocol.</p> <p>6 A. It was, Sir before Lord. I actually</p> <p>7 stuck to John Browne. I'm not sure what the right</p> <p>8 answer is.</p> <p>9 Q. It used to be, Sir Browne?</p> <p>10 A. I don't claim to understand that either.</p> <p>11 Q. The queen can do what she wants, I guess.</p> <p>12 Okay. So looking at this report</p> <p>13 we know that Mr. Manzoni had been to the plant in</p> <p>14 July of '04 and when he came in July of '04, to a</p> <p>15 trained observer like himself, it would have been</p> <p>16 obvious just looking around the plant that it had</p> <p>17 been undermaintained?</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. I am not sure if it went through John or</p> <p>20 what his training is. That's not a question I can</p> <p>21 answer.</p> <p>22 Q. (BY MR. WILLIAMS) But, you know, that</p> <p>23 you were there in that time period when he came in</p> <p>24 July of '04 and to the -- to anybody with a trained</p> <p>25 observer, such as yourself, it was obvious that</p>	<p style="text-align: right;">Page 129</p> <p>1 MR. GALBRAITH: Objection, form.</p> <p>2 A. I just can't speak for John. Okay? I</p> <p>3 don't know. John is not an experienced refiner.</p> <p>4 So I don't know what his observations were. That's</p> <p>5 something you are going to have to ask John.</p> <p>6 Q. (BY MR. WILLIAMS) Okay. So he is not an</p> <p>7 experienced refinery person?</p> <p>8 A. Not that I am aware of.</p> <p>9 Q. What's he experienced in because he's</p> <p>10 chief executive of refining and marketing?</p> <p>11 A. I don't know what his background was in</p> <p>12 BP prior to the Amoco merger. I am just not aware</p> <p>13 of him working in a refinery.</p> <p>14 Q. Now, Mike Hoffman he is experienced in</p> <p>15 refining, right?</p> <p>16 A. That would be a correct statement.</p> <p>17 Q. And so when Mike made his trips to the</p> <p>18 plant, it -- being a trained observer, it would be</p> <p>19 apparent to him that the plant had been</p> <p>20 undermaintained?</p> <p>21 MR. GALBRAITH: Objection, form.</p> <p>22 A. Again, I don't know what's apparent to</p> <p>23 him. We made the case to him regarding the</p> <p>24 investment profile of the sites.</p> <p>25 Q. (BY MR. WILLIAMS) Whether he observed it,</p>

<p style="text-align: right;">Page 130</p> <p>1 you told him it had been undermaintained --</p> <p>2 A. There had been --</p> <p>3 Q. -- correct?</p> <p>4 A. There had been presentations made to John</p> <p>5 and Mike and Pat regarding the investment profile</p> <p>6 of the site.</p> <p>7 Q. And, in fact, and when were these</p> <p>8 presentations made concerning under --</p> <p>9 undermaintaining the plant?</p> <p>10 MR. GALBRAITH: Objection, form.</p> <p>11 A. I know one was made to John Manzoni</p> <p>12 during his July visit. It showed a history of the</p> <p>13 site's investment versus the history of the</p> <p>14 competition's investment profile.</p> <p>15 Q. (BY MR. WILLIAMS) And what did that show</p> <p>16 concerning the investment that BP had chosen to put</p> <p>17 in the plant compared to what other energy</p> <p>18 companies had done?</p> <p>19 A. I think we looked at refineries only.</p> <p>20 Q. Okay.</p> <p>21 A. So instead of correcting energy</p> <p>22 companies. The plot -- I don't remember the scale</p> <p>23 absolute numbers, but it showed Texas City lower</p> <p>24 than the competition.</p> <p>25 Q. It had for some reason become like a</p>	<p style="text-align: right;">Page 132</p> <p>1 Q. (BY MR. WILLIAMS) And can</p> <p>2 underinvestment lead to frustration on the part of</p> <p>3 the workers?</p> <p>4 MR. GALBRAITH: Objection, form.</p> <p>5 A. We can lead through these. There are</p> <p>6 many elements that lead through a safety culture.</p> <p>7 The three you're wrenching off to play a role. I</p> <p>8 don't know how much or how little, but they can</p> <p>9 play a role in forming the culture. But I don't</p> <p>10 have the expertise to be able to answer it any</p> <p>11 further.</p> <p>12 Q. (BY MR. WILLIAMS) And the decision to</p> <p>13 underinvest in Texas City refinery, had that been a</p> <p>14 decision that would have been made at the very</p> <p>15 highest levels of the corporation up -- not exactly</p> <p>16 John Manzoni himself but whomever occupied that</p> <p>17 level and up at Lord Browne's level?</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. I'm unclear as to when those decisions</p> <p>20 because if -- you have to look through this lens,</p> <p>21 which is BP lens, you must also look through an</p> <p>22 Amoco lens, which would have a very different chart</p> <p>23 up. So I think you need to -- we need to establish</p> <p>24 what the period was for investment. And the chart</p> <p>25 varies based on that period you are looking at.</p>
<p style="text-align: right;">Page 131</p> <p>1 stepchild or something.</p> <p>2 It had been ignored?</p> <p>3 MR. GALBRAITH: Objection, form.</p> <p>4 A. That's not the way I looked at it. All</p> <p>5 right?</p> <p>6 Q. (BY MR. WILLIAMS) Well, investment-wise,</p> <p>7 dollar-wise, it had been ignored?</p> <p>8 MR. GALBRAITH: Objection, form.</p> <p>9 A. It had been underinvested versus the</p> <p>10 competition.</p> <p>11 Q. (BY MR. WILLIAMS) Now, why was this plant</p> <p>12 underinvested compared to the competition?</p> <p>13 MR. GALBRAITH: Objection, form.</p> <p>14 A. Not being there and actually being</p> <p>15 outside of refining, I don't know what the reason</p> <p>16 and thinking was, and some of this possibly could</p> <p>17 have stemmed back before the Amoco BP merger.</p> <p>18 Q. (BY MR. WILLIAMS) Now, underinvestment</p> <p>19 can it lead to safety problems?</p> <p>20 MR. GALBRAITH: Objection, form.</p> <p>21 A. It can.</p> <p>22 Q. (BY MR. WILLIAMS) And underinvestment,</p> <p>23 can it lead to cultural safety problems?</p> <p>24 MR. GALBRAITH: Objection, form.</p> <p>25 A. Possible.</p>	<p style="text-align: right;">Page 133</p> <p>1 Q. Regardless of whether it was a BP</p> <p>2 decision to underinvestigate -- underinvest or</p> <p>3 whether it is an Amoco decision to underinvest,</p> <p>4 after they merged, you inherited a plant where</p> <p>5 there had been a lack of investment with regard to</p> <p>6 maintenance and safety.</p> <p>7 Would you say that was an accurate</p> <p>8 statement?</p> <p>9 A. I didn't inherit it after the merger.</p> <p>10 The merger was in 1999. So just to clarify, I</p> <p>11 didn't inherit it in 1999.</p> <p>12 Q. (BY MR. WILLIAMS) But somewhat after</p> <p>13 1999?</p> <p>14 A. In 2004 --</p> <p>15 Q. You inherited --</p> <p>16 A. -- I became BUL. I inherited the assets.</p> <p>17 Q. Which had been underinvested for some</p> <p>18 period of time with regard to maintenance and</p> <p>19 safety?</p> <p>20 MR. GALBRAITH: Objection, form.</p> <p>21 A. I inherited the assets that were</p> <p>22 underinvested and undermaintained.</p> <p>23 Q. (BY MR. WILLIAMS) With regard to safety</p> <p>24 maintenance?</p> <p>25 MR. GALBRAITH: Objection, form.</p>

<p style="text-align: right;">Page 134</p> <p>1 A. With regard to maintenance.</p> <p>2 Q. (BY MR. WILLIAMS) Okay. Which I think</p> <p>3 we have agreed can lead to safety culture problems?</p> <p>4 A. I think we agreed it is an element of the</p> <p>5 safety culture.</p> <p>6 Q. Okay. Do you think you were the first</p> <p>7 person to discover in June of '04, "Hey, there's</p> <p>8 been an underinvestment in this plant in the past"?</p> <p>9 A. I don't know. I wouldn't think so, but I</p> <p>10 don't know that answer.</p> <p>11 Q. Well, did anybody seem surprised, "hey,</p> <p>12 oh, my gosh, we've -- what do you mean</p> <p>13 underinvested? We've -- we have been pouring money</p> <p>14 into this plant."</p> <p>15 Anybody challenge you and say on</p> <p>16 that issue or did they kind of nod and accept that</p> <p>17 it was a fact?</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. I didn't feel any challenge on that</p> <p>20 statement.</p> <p>21 Q. (BY MR. WILLIAMS) So the fact that it</p> <p>22 had been underinvested -- that there had been</p> <p>23 underinvestment in this plant, when you raised it</p> <p>24 back as early as July of 2004 with somebody as high</p> <p>25 as John Manzoni, is it fair to say that you had</p>	<p style="text-align: right;">Page 136</p> <p>1 follow-up to the fatalities on May 25th.</p> <p>2 So a good portion of the morning</p> <p>3 of the first day was spent on -- on the safety</p> <p>4 piece of it. I would have to refresh with an</p> <p>5 agenda, but I would imagine the repositioning piece</p> <p>6 that was shared with Mike, there was some of that</p> <p>7 shared. Progress on 1000-day goals was shared and</p> <p>8 then a good part of it was spent -- John gave a</p> <p>9 town hall. John gave some safety audits. I think</p> <p>10 John had some lunch with small groups. I mean, it</p> <p>11 wasn't two days in a -- in a -- in a conference</p> <p>12 room. It was two days with a kind of multi</p> <p>13 approach. That's the best I can recall going back</p> <p>14 to July of '04.</p> <p>15 Q. Was there a PowerPoint presentation with</p> <p>16 regard to safety on -- in that meeting in July of</p> <p>17 2004?</p> <p>18 A. I believe so. I mean, again -- the</p> <p>19 typical format, again, is to have not a stand up</p> <p>20 presentation with a pack of slides. Typical format</p> <p>21 is to put a slide up and have a dialogue with the</p> <p>22 leadership team. And that's how I would</p> <p>23 characterize that presentation would be not a lot</p> <p>24 of slides even though there might be PowerPoint,</p> <p>25 but it was around getting a dialogue where we can</p>
<p style="text-align: right;">Page 135</p> <p>1 not -- no one ever challenged that statement --</p> <p>2 MR. GALBRAITH: Objection --</p> <p>3 Q. (BY MR. WILLIAMS) -- that you made?</p> <p>4 MR. GALBRAITH: Objection, form.</p> <p>5 A. I don't recall any challenge in that</p> <p>6 statement.</p> <p>7 Q. (BY MR. WILLIAMS) And is it -- is it</p> <p>8 fair to say that if somebody with any degree of</p> <p>9 experience in refining, over and above hearing that</p> <p>10 statement directly from you that they had</p> <p>11 underinvested in this plant, all they had to do was</p> <p>12 go around and look around with their own eyes and</p> <p>13 it would support what you were telling them?</p> <p>14 A. The --</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 A. The appearance of the site would tend to</p> <p>17 support that statement.</p> <p>18 Q. (BY MR. WILLIAMS) Okay. What kind of</p> <p>19 presentation was made to Mr. Manzoni in July of</p> <p>20 2004?</p> <p>21 A. I just can't recall. It's -- a big</p> <p>22 portion of it, I want to say the morning and part</p> <p>23 of the afternoon the first day, was devoted to</p> <p>24 safety. Follow-up to a control of work audit that</p> <p>25 was done in May of that year, I believe, and</p>	<p style="text-align: right;">Page 137</p> <p>1 have a conversation.</p> <p>2 Q. Now, when was it that you first realized</p> <p>3 that this plant had a history of 20 plus deaths</p> <p>4 over 30 years?</p> <p>5 A. In preparing for meeting with the first</p> <p>6 level leaders following the fatalities of</p> <p>7 September, I set up a safety reality session.</p> <p>8 Okay. And they were done over a period of time. I</p> <p>9 want to say October/November, possibly even into</p> <p>10 December. So it took seven to ten sessions to</p> <p>11 catch all the shifts to get all the people and do</p> <p>12 makeup sessions as well.</p> <p>13 In preparation for that I had</p> <p>14 asked the question. I asked the question. I just</p> <p>15 said, "In 30 years, how many fatalities was at the</p> <p>16 site?"</p> <p>17 And so it was a question that I</p> <p>18 asked and that was the information that came out,</p> <p>19 and I used that information as part of the safety</p> <p>20 reality.</p> <p>21 Q. I have seen Joe Barnes' e-mails.</p> <p>22 You -- I think you asked Joe</p> <p>23 Barnes to do that for you, didn't you?</p> <p>24 A. That was most likely who -- that's most</p> <p>25 likely who I asked for that information.</p>

<p style="text-align: right;">Page 138</p> <p>1 Q. Now, you mentioned a control of work 2 survey? 3 A. Audit survey. 4 Q. Thank you. That was done when? 5 A. May -- to the best of my knowledge, May 6 of 2004. 7 Q. And what did it reveal to you in May of 8 2004? 9 A. The audit was done in May. I believe the 10 results got to me in late June. The three elements 11 were raised. One is along the lines of compliance. 12 One is along the lines with risk around nitrogen 13 usage at the plant. The third one is less -- a 14 little less vague with me. It was something along 15 the lines of performing risk assessments for 16 smaller, smaller work or smaller job, something of 17 that nature. That's the best of my ability to 18 recall. 19 Q. So at least the risk assessment part and 20 the compliance part were things that not only then 21 were reported in July of '04, also, were reported 22 in the Telos Report January of '05, and likewise, 23 reported in the final report following the fire and 24 explosion, true? 25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 140</p> <p>1 addressing the control of work audit and this is 2 where we shared with John the framework for 3 compliance delivery and the framework for just 4 culture and the framework for instituting the 5 auditors piece of it so a lot of discussion was 6 saying, "Don, what's your response to the audit?" 7 So we spent time going through 8 several of the 12 things listed earlier that we 9 were starting out as a result of -- and two things 10 occurred in that timeframe. Although, not when I 11 was BUL, but the other fatality in May was reviewed 12 as a compliance issue as well as he had compliance 13 with the fatality, compliance with the control of 14 work. We took compliance to be the first major 15 issue to undertake as the leadership in June. 16 Q. Did it seem to you that when there was a 17 lack of compliance and lack of risk assessment that 18 there was -- what would go hand in glove with that 19 to me would seem a lack of training? 20 MR. GALBRAITH: Objection, form. 21 A. Not in compliance doesn't, in my mind, 22 always mean lack of training. 23 Q. (BY MR. WILLIAMS) Not always but 24 certainly that can be an element of it? 25 A. It's an element, but the lack of</p>
<p style="text-align: right;">Page 139</p> <p>1 A. Well, the risk and the compliance were 2 common. 3 Q. (BY MR. WILLIAMS) Okay. And so the fact 4 that there were challenges or issues in those two 5 areas of risk assessment and compliance, is it fair 6 to say that the May of '04 control of work audit 7 put you on notice of that, that there was problems 8 there? 9 MR. GALBRAITH: Objection, form. 10 A. It made us aware of those three issues. 11 Q. (BY MR. WILLIAMS) And you shared that, I 12 take it, with John Manzoni in July of 2004? 13 A. The report was written for John. I 14 didn't need to share it. John -- the control of 15 work teams were commenced by John Manzoni. 16 Q. Okay. With regard to at least two areas, 17 compliance -- safety compliance and risk 18 assessment, John Manzoni was aware of that as far 19 back as when the report was completed late June of 20 2004? 21 A. That would it be rough timetable. 22 Q. Okay. What did John say about this, John 23 Manzoni, I mean? 24 A. Well, when John came out in July then, we 25 already then had developed actions around</p>	<p style="text-align: right;">Page 141</p> <p>1 compliance doesn't always mean lack of training. 2 Case in point, the fatality May 25th, when that 3 employee was specialized trained in fall 4 protection, because that's what he did for a 5 living, okay, training wasn't viewed as the 6 shortcoming in that incident. But, yet, it was a 7 compliance issue. 8 Q. Okay. 9 A. He made -- he made a choice. 10 Q. But risk assessment, does that -- when 11 you see that there is an issue in risk assessment, 12 does that raise an issue perhaps that we haven't 13 done sufficient training in this area? 14 MR. GALBRAITH: Objection, form. 15 A. Similarly, I would put it as an element 16 okay? But training does not solve the risk. 17 Again, past practices tend to almost design similar 18 training. So I wouldn't automatically say risk 19 assessment and training is the only reason. It's 20 an element. 21 Q. (BY MR. WILLIAMS) Now, process safety 22 management. 23 What is that? 24 A. It's an effort in refining while 25 maintaining the safe operation of all process</p>

<p style="text-align: right;">Page 142</p> <p>1 units.</p> <p>2 Q. And process safety management is -- is it</p> <p>3 different from personal safety?</p> <p>4 A. They are related, but there is some</p> <p>5 distinction.</p> <p>6 Q. And what is that distinction?</p> <p>7 A. Personal safety measures only the aspects</p> <p>8 of personnel safety. You can get a person hurt</p> <p>9 outside of process units. Okay? Driving in a</p> <p>10 vehicle, for example.</p> <p>11 Q. Failing to wear your hard hat, failing to</p> <p>12 wear your safety glasses, those would be personal</p> <p>13 safety issues?</p> <p>14 A. Well, those are issues; but I'm talking</p> <p>15 about a person getting hurt. A person can get hurt</p> <p>16 outside the process units.</p> <p>17 So that's why I make a slight</p> <p>18 distinction, but they are very related.</p> <p>19 Q. And process safety, I have heard that</p> <p>20 described as avoiding catastrophic events that can</p> <p>21 injure multiple people.</p> <p>22 MR. GALBRAITH: Objection, form.</p> <p>23 Q. (BY MR. WILLIAMS) Is that a fair</p> <p>24 statement?</p> <p>25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 144</p> <p>1 hydrocarbons contained.</p> <p>2 Q. Process safety, if someone violates -- if</p> <p>3 there is a lack of process safety, can it result in</p> <p>4 catastrophic events?</p> <p>5 A. It has that potential.</p> <p>6 Q. And in fact, did a lack of process safety</p> <p>7 contribute to the fire and explosion of March 23?</p> <p>8 A. I think there were many elements that</p> <p>9 contributed as identified by the report, process</p> <p>10 safety being one of them.</p> <p>11 Q. Is it true, then, that on March 23, Rule</p> <p>12 Number 1 with regard to hydrocarbons was broken,</p> <p>13 that rule was violated in that hydrocarbons were</p> <p>14 not kept contained?</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 A. On March 23rd hydrocarbons were not</p> <p>17 contained.</p> <p>18 Q. (BY MR. WILLIAMS) In fact, there had been</p> <p>19 a history at the Texas City refinery of violating</p> <p>20 this Rule Number 1 where there were hydrocarbons</p> <p>21 that escaped from containment, true?</p> <p>22 MR. GALBRAITH: Objection, form.</p> <p>23 A. One of the metrics we measured in the</p> <p>24 1000 day goals was exactly the release of any</p> <p>25 hydrocarbon. Anything greater than 1 barrel or</p>
<p style="text-align: right;">Page 143</p> <p>1 A. Process safety is used to avoid virtually</p> <p>2 any events. I wouldn't limit them to -- to</p> <p>3 catastrophic.</p> <p>4 Q. (BY MR. WILLIAMS) So when we talk about</p> <p>5 releasing the hydrocarbon from a vessel or a pipe,</p> <p>6 would that come under personal safety or process</p> <p>7 safety?</p> <p>8 MR. GALBRAITH: Objection, form.</p> <p>9 A. I mean, in my mind, they would come under</p> <p>10 both.</p> <p>11 Q. (BY MR. WILLIAMS) What's the Number 1</p> <p>12 rule with regard to handling of hydrocarbons?</p> <p>13 MR. GALBRAITH: Objection, form.</p> <p>14 A. I am not sure I fully understand your</p> <p>15 question.</p> <p>16 Q. (BY MR. WILLIAMS) I have heard people</p> <p>17 say the Number 1 rule with regard to handling</p> <p>18 hydrocarbon is keep -- keep them inside the vessels</p> <p>19 or keep them inside the pipes. Don't let them</p> <p>20 escape.</p> <p>21 A. Keep them under containment is how I</p> <p>22 would describe it.</p> <p>23 Q. Perfect. Would you agree that Rule 1</p> <p>24 with hydrocarbons is keep them contained?</p> <p>25 A. I would say Rule Number 1 is keep the</p>	<p style="text-align: right;">Page 145</p> <p>1 42 gallons was tracked and reported and it was a</p> <p>2 metric we were looking at and working towards</p> <p>3 reduction.</p> <p>4 Q. (BY MR. WILLIAMS) Because there had been</p> <p>5 a history of hydrocarbon releases, true?</p> <p>6 MR. GALBRAITH: Objection, form.</p> <p>7 Q. (BY MR. WILLIAMS) At that plant?</p> <p>8 MR. GALBRAITH: Objection, form.</p> <p>9 A. As measured by spills, there was a</p> <p>10 history.</p> <p>11 Q. (BY MR. WILLIAMS) All right. Anytime</p> <p>12 there is a spill, there is the potential for a fire</p> <p>13 and possibly an explosion?</p> <p>14 A. The potential does exist if the spill is</p> <p>15 a hydrocarbon, yes.</p> <p>16 Q. Right.</p> <p>17 And the triangle it takes to have</p> <p>18 a catastrophe is you've got to have a hydrocarbon.</p> <p>19 You've got to have some oxygen. You've got to have</p> <p>20 an ignition source. You get those three, and it's</p> <p>21 a potential for a catastrophe --</p> <p>22 MR. GALBRAITH: Objection, form.</p> <p>23 Q. (BY MR. WILLIAMS) -- agree?</p> <p>24 A. It's essential for a fire. That is</p> <p>25 correct.</p>

<p style="text-align: right;">Page 146</p> <p>1 Q. And this plant had a history over some 2 period of time of fires, didn't it? More than 3 normal fires? 4 MR. GALBRAITH: Objection, form. 5 A. The plant had fires. I mean, it's -- 6 given the size of the plant, I don't know how you 7 would compare -- be on a comparative basis, but it 8 had -- it had fires at this plant. 9 Q. (BY MR. WILLIAMS) And fires would be the 10 result, typically, of a releases of hydrocarbons 11 where you had broken Rule Number 1 of keeping them 12 contained? 13 MR. GALBRAITH: Objection, form. 14 A. That could be the potential cause. 15 Q. (BY MR. WILLIAMS) Now, do you know 16 John McLemore? 17 A. I know John McLemore. 18 Q. He was the fire chief while you were BUL, 19 right? 20 A. John was the fire chief while I was BUL. 21 Q. Did Counsel share with you his testimony 22 about the number of fires at the Texas City 23 refinery? 24 A. I am not aware of the number of fires. 25 Q. And what would be an acceptable number of</p>	<p style="text-align: right;">Page 148</p> <p>1 there are fires because they maybe lacked oxygen or 2 maybe lacked an ignition source, right? 3 A. Or they were -- 4 MR. GALBRAITH: Objection, form. 5 A. Or they were contained in another 6 containment, a secondary containment, correct. 7 Q. (BY MR. WILLIAMS) Okay. Now, how many 8 fires were you aware of that were going on in your 9 plant? 10 MR. GALBRAITH: Objection, form. 11 A. In what time period, sir? 12 Q. (BY MR. WILLIAMS) Let's take it while you 13 were a BUL from June of '04 until -- leading up to 14 March 23, '05. 15 A. I am not sure I can quote you a number. 16 Q. Estimate? 17 MR. GALBRAITH: Objection, form. 18 A. No data point to give you an estimate. I 19 mean, it's -- fires was not the metric we were 20 looking at. We were looking at spills. 21 Q. (BY MR. WILLIAMS) Ballpark of fires? 22 A. I couldn't even -- if I don't have a data 23 point, it's tough to give you a ballpark or an 24 estimate. 25 Q. How about spills?</p>
<p style="text-align: right;">Page 147</p> <p>1 fires while at the Texas City refinery? 2 MR. GALBRAITH: Objection, form. 3 A. The only acceptable number is zero. 4 Q. (BY MR. WILLIAMS) Could one look at the 5 number of fires that occurred and see that, 6 perhaps, there was a problem because you had broken 7 Rule Number 1, keep hydrocarbons contained? Would 8 that be a good measure? 9 A. It would be a -- 10 MR. GALBRAITH: Objection, form. 11 A. It would be a metric. 12 Q. (BY MR. WILLIAMS) Meaning a measure? 13 A. Yes. 14 Q. Okay. Metric is, I guess -- 15 A. We -- 16 Q. -- is MBA speak for measure? 17 A. No. It's BP speak for a measure. 18 The reason I say that is not all 19 spills lead to fires. So we tracked spills. So 20 the metric we tracked was spills versus fires to 21 make sure -- we thought it was a better, accurate 22 metric to look at. 23 Q. And fires, as I said, require those three 24 things: Oxygen, hydrocarbon and ignition source. 25 And spills, there might be many more spills than</p>	<p style="text-align: right;">Page 149</p> <p>1 A. Spills in 2004 -- 2 MR. GALBRAITH: Objection, form. 3 A. The spills that we reported in 2004, I 4 believe -- I believe it was somewhere in the 18 to 5 20 range in 2004. 6 Q. (BY MR. WILLIAMS) That you were aware 7 of? 8 A. These were spills that had to be reported 9 because they exceeded 1 barrel. 10 Q. Spills of 1 barrel or more in 2004 were 11 18 to 20 according to your -- 12 A. That's the best of my recollection. 13 Q. Okay. Now, let's go back to fires. If 14 we're -- because you didn't track -- I am correct 15 that you and your leadership team did not track the 16 number of fires in the plant. 17 That is not one -- 18 A. Not specifically. That's correct. 19 Q. Okay. Would the person most 20 knowledgeable about the number of fires in the 21 plant be John McLemore -- 22 MR. GALBRAITH: Objection, form. 23 Q. (BY MR. WILLIAMS) -- the fire chief? 24 A. I would think John would have that 25 knowledge. He responds to it. He is in charge of</p>

<p style="text-align: right;">Page 150</p> <p>1 the fire department that would respond to it. So I 2 would think he would be very knowledgeable of it. 3 Q. And I mean, can you think of anybody that 4 would know more about the number of fires than John 5 McLemore? 6 A. I would trust John's response. 7 Q. Okay. What is a culture of casual 8 compliance? 9 MR. GALBRAITH: Objection, form. 10 A. The term that was used was -- I am not 11 sure if it was in the control of work audit or the 12 response to the control of work audit or shared 13 with us from the control of work audit team, but 14 that's where the genesis of the term came from. 15 And how it was best described to me was, is the 16 workforce had tended to be in compliance with the 17 rules they felt were important and other rules that 18 they felt were not important, there was not 19 complete compliance. 20 Q. (BY MR. WILLIAMS) So this phrase "culture 21 of casual compliance," as far as you know, 22 originated from the May, 2004 control of work 23 audit? 24 A. In some shape or form it came out of 25 that. And again, it's either in the audit, our</p>	<p style="text-align: right;">Page 152</p> <p>1 directly to John Manzoni, who commissioned the 2 audit. And we also then responded to that and 3 covered it in this July visit. 4 Q. (BY MR. WILLIAMS) Okay. But I want to be 5 specific for the jury that that -- the fact that 6 there was a culture of casual compliance, which 7 included at least in part, casual compliance of 8 safety rules, that that was known to the leadership 9 team and it was known to the executives as high as 10 John Manzoni, certainly, by late June, 2004, true? 11 MR. GALBRAITH: Objection, form. 12 A. I would agree with you if you said mid 13 July because I want to include his visit and make 14 sure it's part of that because I am not sure if the 15 "casual compliance" term was in the audit or in the 16 follow-up discussions. So I'm moving you by a 17 little time period to be exact. 18 Q. (BY MR. WILLIAMS) I don't want to 19 quibble with you. 20 A. Yeah. 21 Q. I appreciate what you are doing. Let me 22 try and get it correct. 23 By mid July, 2004, no doubt in 24 your mind that it was clearly communicated to the 25 leadership team and to John Manzoni -- and to</p>
<p style="text-align: right;">Page 151</p> <p>1 response or in dialogue as a result of that. I 2 would put that control of work audit the -- the 3 genesis of it. 4 Q. And when we use the phrase culture of 5 casual compliance, we are talking about casual 6 compliance with safety rules -- 7 MR. GALBRAITH: Objection, form. 8 Q. (BY MR. WILLIAMS) -- true? 9 A. Safety rules and environmental rules. I 10 would not -- I would not limit it, in my mind, to 11 safety rules. Safety rules being part of it. 12 Q. Right. 13 It would include -- okay. So when 14 we use the phrase "culture of casual compliance," 15 that includes casual compliance with regard to 16 safety rules? 17 A. I would -- I would include that in that 18 statement. 19 Q. And BP was -- management, leadership, was 20 aware of this culture of casual compliance, 21 certainly, back in late June of 2000 -- of 2004, 22 right? 23 MR. GALBRAITH: Objection, form. 24 A. My understanding is that the control of 25 work report was audited by the team and sent</p>	<p style="text-align: right;">Page 153</p> <p>1 executives as high as John Manzoni that there was a 2 culture of casual compliance, which included safety 3 compliance, at the Texas City refinery, true? 4 A. I would agree -- 5 MR. GALBRAITH: Objection, form. 6 A. I would agree with that timetable. 7 Q. (BY MR. WILLIAMS) Let's go back to risk 8 tolerance. 9 Did you discuss with Mr. Manzoni 10 in July of 2004 that there were issues with risk 11 tolerance? 12 A. The control of work audit didn't paint 13 the site as complete risk tolerance. It was 14 referring to a certain area. The real discussion 15 around risk tolerance occurred in October following 16 the September fatalities. 17 Q. So -- 18 A. That's why I remember using that term. 19 Q. Okay. The term "risk assessment" was 20 communicated to Mr. Manzoni as an issue in July of 21 2004, correct? 22 MR. GALBRAITH: Objection, form. 23 A. My best recollection, it was control of 24 work audits, without reviewing it. It says there 25 were some issues regarding risk assessment, but it</p>

<p style="text-align: right;">Page 154</p> <p>1 wasn't plant-wide. It was in a specific area they 2 found it in. 3 So I am just trying to distinguish 4 between control of work audit identified, risk 5 assessment, investment and reviews of small jobs. 6 The -- the September fatalities is when the phrase 7 "risk tolerance" was used and then that also led 8 to, then, the commission of the Telos Report to 9 really get a good handle as to what that was. 10 Q. (BY MR. WILLIAMS) You went to London in 11 2004 how many times after -- let's just say after 12 you became BUL in June of 2004? 13 A. Three that I remember distinctly, 14 possibly more. 15 Q. Okay. And on those three occasions, did 16 you meet with Mr. Manzoni? 17 A. On two of them, for sure. 18 Q. And on those occasions, those trips to 19 London, did y'all discuss the fact that there was a 20 culture of casual compliance, including safety, at 21 the Texas City refinery? 22 A. The two trips to London with John Manzoni 23 were in the August and October timeframe. They 24 were specific for follow-up to the fatalities at 25 the site in 2004 and compliance was discussed at</p>	<p style="text-align: right;">Page 156</p> <p>1 Q. (BY MR. WILLIAMS) Did Mr. Manzoni -- 2 (Discussion off the record.) 3 Q. (BY MR. WILLIAMS) Did Mr. Manzoni ever 4 indicate to you that he had discussed the fact that 5 there was a culture of casual compliance with -- 6 including safety at the Texas City refinery that he 7 had discussed with Lord Browne? 8 MR. GALBRAITH: Objection, form. 9 A. I don't know. I don't know. 10 I may pick it up, then, if I may 11 take a 30-second break since nobody else will. 12 MR. WILLIAMS: We are probably 13 close to the end of the tape, aren't we? Why don't 14 we just take our lunch break now. 15 MR. GALBRAITH: Okay. 16 THE VIDEOGRAPHER: Off the record 17 at 12:38 p.m., ending Tape 3. 18 (Lunch recess taken.) 19 20 THE VIDEOGRAPHER: On the record 21 at 1:49 p.m., beginning Tape 4. 22 Q. (BY MR. WILLIAMS) Mr. Parus, I want to 23 go back to some of the things leading up to before 24 you became the BUL there; and let's go back to the 25 year 2001. We have used this with other witnesses</p>
<p style="text-align: right;">Page 155</p> <p>1 the first one, and compliance and risk tolerance 2 was discussed at the second meeting. 3 Q. Okay. So when you say "compliance," was 4 it also discussed on those two occasions the fact 5 that there was a culture of casual compliance? 6 A. I am not sure I used those exact words. 7 That's why I am using the word "compliance." 8 Q. Right. 9 A. Again, without looking at my slides and 10 my notes, I wasn't sure how I characterized it. I 11 know that compliance was an issue both raised in 12 the control of work audit and it was also a key 13 finding in the fatality at the end of May. 14 Q. Did Lord Browne show any interest in the 15 fact that there had -- that in late or late -- late 16 June or mid July of 2004, there had been 17 demonstrated by this control of work audit a 18 culture of casual compliance, including safety, at 19 this plant? 20 MR. GALBRAITH: Objection, form. 21 A. He did not to me. Now, whether he did to 22 someone else, I can't answer. But I had no direct 23 communications with -- 24 MR. GALBRAITH: With Lord Browne? 25 A. -- with Lord Browne.</p>	<p style="text-align: right;">Page 157</p> <p>1 before. 2 This is Exhibit 182; and it is a 3 PowerPoint, apparently, from the year 2001. And it 4 says, "If we do not achieve a significant 5 improvement safety performance at the Texas City 6 refinery, one of our co-workers or a contract 7 employee will be killed at this here within the 8 next three to four years." 9 Now, did that prognostication or 10 prediction, in fact, come true? 11 MR. GALBRAITH: Objection, form. 12 A. What year was this authored in? 13 Q. (BY MR. WILLIAMS) 2001. 14 MR. GALBRAITH: Can he see that 15 one, perhaps, since there hadn't been a predicate 16 here yet. 17 A. I don't recognize the document. 18 Q. (BY MR. WILLIAMS) Okay. All I am asking 19 you, sir, is: In this PowerPoint, this prediction 20 from 2001, did it come true? 21 A. The prediction of a co-worker or a 22 contractor being killed at the site, that 23 prediction came true. 24 Q. And came true within the time period that 25 they predicted, three to four years, right?</p>



<p style="text-align: right;">Page 158</p> <p>1 A. As stated there, yes, sir.</p> <p>2 Q. Now, on the -- one of the pages of that</p> <p>3 exact document page -- Exhibit 182, came with a</p> <p>4 chart that shows "Cumulative LWD," that's lost day</p> <p>5 work injuries between "Fatalities," right?</p> <p>6 A. (Examines document.)</p> <p>7 Q. Do you see that chart in there?</p> <p>8 A. I'm -- it's easier for me to read the one</p> <p>9 that's in front of me, if that's okay.</p> <p>10 Q. Sure.</p> <p>11 Do you want a color copy?</p> <p>12 A. I would really appreciate the one you are</p> <p>13 looking at. Thank you.</p> <p>14 Q. You've got it. (Tenders documents.)</p> <p>15 And it shows a prediction that you</p> <p>16 can see how between fatalities there, how there</p> <p>17 appears to be a buildup each time of lost workday</p> <p>18 injuries, right?</p> <p>19 A. Looking --</p> <p>20 MR. GALBRAITH: Objection, form.</p> <p>21 A. Looking through this lens of lost</p> <p>22 workdays, it would tend to indicate that.</p> <p>23 Q. (BY MR. WILLIAMS) Yeah, and it started</p> <p>24 back in 1983 and seems to be a buildup here --</p> <p>25 A. I can't dispute -- I am assuming the</p>	<p style="text-align: right;">Page 160</p> <p>1 And the purpose that management</p> <p>2 should be looking at these things for is one should</p> <p>3 be looking at trends to predict the future with</p> <p>4 regard to safety. If we are having a whole lot of</p> <p>5 injuries, then logic tells us that that shows a</p> <p>6 trend which may well result in a fatality, right?</p> <p>7 A. You want to look through --</p> <p>8 MR. GALBRAITH: Objection, form.</p> <p>9 A. You want to look through two lenses. You</p> <p>10 want to look through indicators, lagging</p> <p>11 indicators, which this would be and also leading</p> <p>12 indicators, which would also give you an</p> <p>13 indication.</p> <p>14 Q. (BY MR. WILLIAMS) Right.</p> <p>15 And this is useful information in</p> <p>16 predicting what's going to happen in the future.</p> <p>17 Would you agree?</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. It is a piece of information.</p> <p>20 Q. (BY MR. WILLIAMS) Right.</p> <p>21 Would you say -- would you agree</p> <p>22 useful, or would you dispute that it's useful?</p> <p>23 A. It's something you need to look at is the</p> <p>24 way I would characterize it.</p> <p>25 Q. Pressing you on this now, I'm just saying</p>
<p style="text-align: right;">Page 159</p> <p>1 dates on here are accurate. I can't -- I am</p> <p>2 assuming the dates are accurate.</p> <p>3 Q. I am, too.</p> <p>4 A. Okay.</p> <p>5 Q. It was provided by BP.</p> <p>6 A. That's my only -- kind of why I --</p> <p>7 Q. Sure.</p> <p>8 And then there is a buildup here</p> <p>9 before this death, a buildup before this death,</p> <p>10 et cetera. There's continuous buildups, right?</p> <p>11 A. At different levels --</p> <p>12 MR. GALBRAITH: Objection, form.</p> <p>13 A. At different levels, but yes to the</p> <p>14 answer.</p> <p>15 Q. (BY MR. WILLIAMS) All which are showing</p> <p>16 what we call trends. You understand what a "trend"</p> <p>17 is, don't you?</p> <p>18 A. Uh-huh.</p> <p>19 Q. And, of course, the end of that being</p> <p>20 that there were -- and you can look at those trends</p> <p>21 and see it resulted in deaths, right?</p> <p>22 A. Through this correlation between</p> <p>23 accumulation of lost workday accidents and</p> <p>24 fatalities.</p> <p>25 Q. Right.</p>	<p style="text-align: right;">Page 161</p> <p>1 is it useful or not useful?</p> <p>2 A. It is a piece of data I would use in</p> <p>3 using the safety metrics.</p> <p>4 Q. Okay.</p> <p>5 A. Because the other piece is length of</p> <p>6 time.</p> <p>7 Q. Sure.</p> <p>8 A. The length of time as well.</p> <p>9 Q. If you look at this time period, then, it</p> <p>10 looks like from the year 1994 and then the budget</p> <p>11 cuts are around 1999, right, that from '99 forward,</p> <p>12 they just keep -- and this stops sometime around</p> <p>13 2002. They just keep skyrocketing upward, don't</p> <p>14 they?</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 Q. (BY MR. WILLIAMS) After the budget cuts?</p> <p>17 A. The linear line drawn here is -- I am not</p> <p>18 sure I agree with the skyrocketing. I see the same</p> <p>19 increase through the whole period from '94 to 2002.</p> <p>20 I see a pretty linear -- a pretty linear increase.</p> <p>21 Q. And that's why on this document in 2001</p> <p>22 it says, "If we do not achieve a significant</p> <p>23 improvement, somebody is going to die."</p> <p>24 I have kind of summarized it,</p> <p>25 right?</p>

<p style="text-align: right;">Page 162</p> <p>1 MR. GALBRAITH: Objection, form.  2 Q. (BY MR. WILLIAMS) Second page.  3 A. Yeah, I was just making sure I am clear.  4 This is the first time I have seen the document.  5 Okay?  6 If they are using this as a lens,  7 it could lead to that prediction.  8 Q. Okay. Now, this document turned out,  9 would you agree, to be an accurate predictor that  10 both looking at this statement, "If we don't make a  11 significant improvement, people will die" and  12 looking at the chart attached to it, which shows  13 this linear increase that you talked about, those  14 things were both pretty accurate predictors of the  15 fact that there was going to be a significant  16 problem at that plant from a safety standpoint,  17 true?  18 MR. GALBRAITH: Objection, form.  19 A. Again, it is a piece of information. The  20 slopes are different. The peaks are different, but  21 it is a piece of information to use to help look at  22 the safety performance.  23 Q. (BY MR. WILLIAMS) Was it an accurate  24 predictor? Did it, in fact, come true what had  25 been predicted there?</p>	<p style="text-align: right;">Page 164</p> <p>1 talking now about Exhibit 404, Good Practices  2 Sharing Assessment.  3 Some people refer to this, in  4 August of '02, as the Veba report. Have you ever  5 referred to it as the Veba report?  6 A. Yes, sir.  7 Q. And so in August of '02 -- and again,  8 this is after the 1999 25 percent cut, it shows  9 here -- and I will blow it up for the jury.  10 It says with regard to asset  11 safety, "There are serious concerns about the  12 potential for a major site incident due mainly to  13 the very large numbers of hydrocarbon escapes, over  14 80 in the 2000 to 2001 period," correct?  15 A. That's what it states.  16 Q. And so we had talked about this before.  17 When you have hydrocarbon escapes, that's one of  18 the three pieces of the triangle for fire is add to  19 it oxygen, add to it an igniter and you have the  20 potential of a fire and/or a disaster, right?  21 MR. GALBRAITH: Objection, form.  22 A. Could you just repeat that to make sure I  23 heard it correctly?  24 Q. (BY MR. WILLIAMS) We talked about this  25 before that hydrocarbon escapes are one of the</p>
<p style="text-align: right;">Page 163</p> <p>1 MR. GALBRAITH: Objection, form.  2 A. This statement came true.  3 Okay. Whether this data was an  4 accurate predictor or not, that's the piece I am  5 struggling with.  6 Q. (BY MR. WILLIAMS) Okay. So the  7 statement -- you don't quarrel with the statement,  8 this statement that, "If we don't achieve a  9 significant improvement, one of our co-workers or a  10 contract employee will be killed in the next three  11 to four years"?  12 A. Given --  13 MR. GALBRAITH: Objection, form.  14 A. Given it was 2001, I mean, we are sitting  15 here looking backwards at this right now.  16 Q. (BY MR. WILLIAMS) Sure.  17 A. The statement came true.  18 Q. Okay. Now, are you familiar with Veba?  19 Have you ever heard of Veba?  20 A. Veba, yes.  21 Q. Okay. That's a plant in Germany that was  22 purchased by British Petroleum, right?  23 A. A company, yes.  24 Q. And as a result of that purchase, there  25 was a study done at the Texas City plant; and we're</p>	<p style="text-align: right;">Page 165</p> <p>1 three pieces. The other two being an ignition  2 source and oxygen that are required to have a fire,  3 right?  4 MR. GALBRAITH: Objection, form.  5 A. Yes, sir.  6 Q. (BY MR. WILLIAMS) So if we look at this  7 back, this Veba report in 2002, it says that there  8 are serious concerns for the potential for a major  9 site incident because of these large number of  10 hydrocarbon releases, not large, very large,  11 number.  12 We know now that truth and fact  13 that had, again, predicted the future because March  14 of '05 there was, I guess it's fair to say, a major  15 site incident, right?  16 MR. GALBRAITH: Objection, form.  17 A. There was a major incident on the 23rd of  18 March of '05.  19 Q. (BY MR. WILLIAMS) And it was due to a  20 hydrocarbon release, right?  21 A. I think the report would substantiate  22 that.  23 Q. And so as far back as we know as of  24 August of 2002, when this Veba report came out,  25 someone had been raising a red flag or a warning</p>

<p style="text-align: right;">Page 166</p> <p>1 that there were not only concerns but the concerns 2 were serious concerns about the potential for a 3 major incident -- site incident, which is exactly 4 what happened on March 23, right? 5 MR. GALBRAITH: Objection, form. 6 A. Looking back, that prediction came true. 7 Q. (BY MR. WILLIAMS) And, in fact, not only 8 was it a major site incident, it was exactly as 9 predicted back then because it was a result of the 10 release of hydrocarbons, right? 11 MR. GALBRAITH: Objection, form. 12 A. The incident was caused by the release of 13 hydrocarbons. 14 Q. (BY MR. WILLIAMS) Okay. Now, then let's 15 go to March of 2004. 16 What is an ESI, ESI Survey? 17 A. It's a part of an annual people assurance 18 survey done by BP Corp. ESI picks somewhere around 19 a dozen parameters or dozen key areas with a group 20 of questions and you get an index to be able to 21 compare it to. 22 Q. Okay. So this is feedback you get from 23 your own employees, correct? 24 A. It's feedback back from our own 25 employees. That is correct.</p>	<p style="text-align: right;">Page 168</p> <p>1 A. Okay. So it could or could not. 2 Q. Correct. 3 If we look here, though, it says 4 the feedback that was given in March of 2004 by the 5 hourly employees, the quote I see here is "Quit 6 waiting for a known possible unit disaster to 7 happen before correcting the problem and 8 jeopardizing operators' lives because the manager 9 and superintendents are safely away from the unit 10 and making their stupid decisions." 11 Do you see that quote? 12 A. Yes, sir. 13 MR. GALBRAITH: Objection, form. 14 Q. (BY MR. WILLIAMS) Did I read it 15 correctly? 16 A. I see the quote. 17 Q. So that in March of 2004, it says, "Quit 18 waiting for a possible unit disaster to happen 19 before correcting the problem. Now, it's true that 20 a unit disaster occurred so this -- this was a 21 predictor that came true that there was a unit 22 disaster, correct? 23 MR. GALBRAITH: Objection, form. 24 Q. (BY MR. WILLIAMS) As far as that part 25 goes, you agree it's correct?</p>
<p style="text-align: right;">Page 167</p> <p>1 Q. So I am showing you Exhibit 48 and 2 Exhibit 48 is West Plant/Aromatics March 2004 ESI 3 Survey, right? 4 A. The survey's done by BP, the PS surveys 5 are done once a year and done in the September 6 timeframe. This has to be a separate survey done 7 in the West Plant or something else done 8 differently. It's not part of the same. So I 9 mean -- 10 Q. Okay. 11 A. The term ESI is used there, but the 12 survey for what I recognize the BP survey to be 13 done and the timeframe does not match up. 14 Q. Well, let me back up, then. 15 What this appears to be, and it 16 was provided by British Petroleum to me, says that 17 this is an ESI Survey March 2004 West 18 Plant/Aromatics; and they are talking now about 19 interviewing the West Plant hourly people. And 20 that would include the ISOM unit, correct? 21 MR. GALBRAITH: Objection, form. 22 A. It may or may not because the West Plant 23 had, I believe in March, two MDLs from the West 24 Plant. I just don't know. 25 Q. (BY MR. WILLIAMS) Okay.</p>	<p style="text-align: right;">Page 169</p> <p>1 MR. GALBRAITH: Objection, form. 2 A. There was a unit incident that occurred 3 on March 23rd, yes. 4 Q. (BY MR. WILLIAMS) And it -- 5 A. No argument. 6 Q. -- says that, "Quit waiting for it to 7 happen before correcting the problem and 8 jeopardizing operators' lives." 9 And that's exactly -- operators' 10 lives were jeopardized, weren't they? 11 MR. GALBRAITH: Objection, form. 12 Q. (BY MR. WILLIAMS) March, '04 -- March, 13 '05? 14 A. In the incident many lives were 15 jeopardized. 16 Q. You bet. 17 And there were problems that had 18 not been corrected that caused the March, '05 fire 19 and explosion, right? 20 MR. GALBRAITH: Objection, form. 21 A. From the incident report, I would support 22 that. 23 Q. (BY MR. WILLIAMS) Okay. So then let's 24 move to January, '05, before the fire and 25 explosion. The Telos Report that we have referred</p>

<p style="text-align: right;">Page 170</p> <p>1 to, and I will share with you a copy, this is the 2 Executive Summary. 3 And it says January 21st, 2005, 4 right? That's the Telos Report Executive Summary? 5 A. It's been awhile since I have seen it. 6 So let me take a second, if you don't mind. 7 Q. Sure. 8 A. This appears to be -- 9 Q. Okay. 10 A. -- the Telos Executive Summary. 11 Q. And if we look at the second page of it, 12 in the Executive Summary, it says, "There is an 13 exceptional degree of fear of catastrophic 14 incidents at Texas City." 15 Did I read that right? 16 A. Yes, sir. 17 Q. And truth and fact that exceptional 18 degree of fear turned out to be warranted because 19 just two months later there was, as predicted here, 20 a catastrophic incident, right? 21 MR. GALBRAITH: Objection, form. 22 A. It was a catastrophic incident. I don't 23 know whether it was related to the condition of the 24 kit or not, but there was a catastrophic incident. 25 Q. (BY MR. WILLIAMS) Okay. But there -- in</p>	<p style="text-align: right;">Page 172</p> <p>1 was an HSSE business plan. It looked like Lee Linn 2 sent it to the fire chief, John McLemore, right? 3 MR. GALBRAITH: Objection, form. 4 A. That's the two people that are listed 5 there. 6 Q. (BY MR. WILLIAMS) Okay. And it says -- 7 and it refers to Joe. I would assume that would be 8 the same Joe in this e-mail, Joe Barnes, the safety 9 guy, right, head of safety? 10 MR. GALBRAITH: Objection, form. 11 A. I think that would be a correct 12 assumption. 13 Q. (BY MR. WILLIAMS) And in this business 14 plan, which appears to be about a month before this 15 tragic fire and explosion, when you get to the 16 section of the business plan on safety, it talks 17 about gaps in 2004, right? 18 MR. GALBRAITH: Objection, form. 19 Q. (BY MR. WILLIAMS) It says, "Not captured 20 but '05 risk mirror '04 gaps," right? 21 MR. GALBRAITH: Objection, form. 22 A. That's stated in the document. 23 Q. (BY MR. WILLIAMS) And this would be a 24 PowerPoint, the reason this sunflower, that's the 25 BP emblem, the sunflower or whatever, overlaid on</p>
<p style="text-align: right;">Page 171</p> <p>1 looking and interviewing the people, there was no 2 doubt that the feedback, that it was important 3 enough to put it in the Executive Summary and, I 4 assume, shared with people above you, that there is 5 an exceptional degree of fear of catastrophic 6 incidents at that plant, right? 7 MR. GALBRAITH: Objection, form. 8 A. Again, underneath the heading of 9 condition of kit was through one of the lenses I'd 10 characterize as infrastructure. 11 Q. (BY MR. WILLIAMS) Okay. No question, 12 though, that people at that plant who were working 13 there two months before the fire and explosion, 14 they weren't going around saying, "Gosh, we are 15 happy and safe." They were going around feeling 16 there is an exceptional degree of fear of 17 catastrophic incidents, right? 18 MR. GALBRAITH: Objection, form. 19 A. This was a summary. I don't know if that 20 was -- how many people felt that way, but it was a 21 summary of comments brought forward. 22 Q. (BY MR. WILLIAMS) You bet. 23 And then in March of '05. Let's 24 look at Exhibit 86. 25 Do you see Exhibit 86? And this</p>	<p style="text-align: right;">Page 173</p> <p>1 that. 2 Does that -- does that make sense 3 to you? 4 A. Yes, sir. 5 Q. And it says under 2005 key risk -- this 6 is some five weeks before the fire and explosion. 7 It says, "Safety not being viewed as the Number 1 8 priority at TCS." 9 That's the refinery that -- where 10 you were the BUL right? 11 A. Yes, sir. 12 Q. And it says, "Key risk, TCS kills someone 13 in the next 12 to 18 months," right? 14 A. That's what it states. 15 MR. GALBRAITH: Objection, form. 16 Q. (BY MR. WILLIAMS) And, in fact, that 17 again, that prediction came true, did it not? 18 MR. GALBRAITH: Objection, form. 19 A. Based on the events of March 23rd, it 20 came true. 21 Q. (BY MR. WILLIAMS) Not just someone, but 22 killed 15 and injured numerous people -- 23 MR. GALBRAITH: Objection, form. 24 Q. (BY MR. WILLIAMS) -- right? 25 A. Yes, sir.</p>

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1 (Exhibit Number 497 marked for  
2 identification.)  
3 (Discussion off the record.)  
4 Q. (BY MR. WILLIAMS) Exhibit 497 here is  
5 what we are looking at now, and it is an e-mail  
6 from Joe Barnes to Norine Stein. Those were your  
7 people in the plant in the safety leadership area,  
8 right?  
9 MR. GALBRAITH: Objection, form.  
10 A. Joe was the -- let me look at the date of  
11 this memo to make sure I have the right titles.  
12 Joe at that time would be the  
13 manager of health, safety and environment; and  
14 Norine would be the manufacturing delivery leader  
15 in the chemical plant.  
16 Q. (BY MR. WILLIAMS) This is about three  
17 weeks before the fire and explosion, right?  
18 A. By the dates.  
19 Q. Pardon me?  
20 A. By the dates, yes.  
21 Q. Yeah.  
22 And it says here, I quote, I truly  
23 believe -- "I truly believe that we are on the  
24 verge of something bigger happening."  
25 And, in fact, something bigger did

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1 happen; the March 23 fire and explosion, right?  
2 MR. GALBRAITH: Objection, form.  
3 A. I am not sure what she's referring to --  
4 the note to me on this one, I am not sure what they  
5 are referring to. There was the AAR that we  
6 discussed before. These are what we call these  
7 30-minute after action reviews.  
8 I'd like to be able to see what  
9 that AAR references to to see what they are  
10 referring to.  
11 Q. (BY MR. WILLIAMS) Did I read it correct  
12 that, "I truly believe that we are on the verge of  
13 something bigger happening"?  
14 A. That is the correct words on the paper.  
15 Q. Okay. Now, I have tried to summarize  
16 these documents leading up to this.  
17 (Exhibit Number 498 marked for  
18 identification.)  
19 Q. (BY MR. WILLIAMS) Exhibit 498 here, and  
20 if I summarize them, we can look back and probably  
21 ought to add in, just for clarity, 1999 25 percent  
22 budget cuts, correct?  
23 MR. GALBRAITH: Objection, form.  
24 A. You could add it in, but I am not making  
25 the connection between --

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1 Q. (BY MR. WILLIAMS) Okay. But --  
2 A. -- what's on this report --  
3 Q. I am trying to get a timeline for the  
4 jury.  
5 MR. GALBRAITH: Objection --  
6 A. I would re -- what I am wary of is that  
7 1999 25 percent budget challenge. I don't know  
8 what the cuts were.  
9 Q. (BY MR. WILLIAMS) And before we leave  
10 the subject of the budget challenge, that wasn't  
11 the only budget challenge in '99, was it? There  
12 had been after that and before the explosion, there  
13 had been other budget challenges to tighten the  
14 belt, had there not?  
15 MR. GALBRAITH: Objection, form.  
16 A. There have been other discussions on  
17 budget controls.  
18 Q. (BY MR. WILLIAMS) They -- from London,  
19 they had had other situations where they say, "We  
20 need to cut -- a challenge to cut 10 percent" on  
21 other occasions, right, in addition to this  
22 25 percent challenge?  
23 MR. GALBRAITH: Objection, form.  
24 A. I am going to speak from the window that  
25 I can speak from. That, again, is from the June,

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1 2004 period to the time of the incident; and I  
2 recall one of those challenges during that time  
3 period.  
4 Q. (BY MR. WILLIAMS) Okay. And that was at  
5 a 10 percent challenge?  
6 A. I believe it was higher.  
7 Q. How much?  
8 A. It was one specific budget. It was the  
9 capital budget.  
10 Q. Okay.  
11 A. Okay. And I believe the challenge was in  
12 the range of 25 percent.  
13 Q. 25 percent capital budget challenge?  
14 A. For 2005.  
15 Q. Okay. And that was about June of '04  
16 that that challenge came out?  
17 A. Later. It was for '05. I want to say it  
18 was early. The timing is not real clear to me.  
19 Okay? It's either late '04 or early '05, and  
20 that's the closest I can get you on timing. But I  
21 do know it impacted '05's budget.  
22 Q. Okay.  
23 A. Capital budget.  
24 Q. I put it in here between March, '04 and  
25 January, '05. Is that a good place to put it?

<p style="text-align: right;">Page 178</p> <p>1 MR. GALBRAITH: Objection to form.</p> <p>2 A. As a whole, yes; but I don't know the</p> <p>3 timing.</p> <p>4 Q. (BY MR. WILLIAMS) I --</p> <p>5 A. I just don't know the exact time but</p> <p>6 again somewhere between -- so the record is clear,</p> <p>7 somewhere between the fourth quarter of 2004 and</p> <p>8 first quarter of 2005, in that window we put that</p> <p>9 challenge.</p> <p>10 Q. Okay. And I am going to put it</p> <p>11 arbitrarily right before the January '05 Telos</p> <p>12 Report; and we all know it could have been a little</p> <p>13 earlier, a little later --</p> <p>14 A. Yes, sir.</p> <p>15 Q. -- right?</p> <p>16 A. Yes, sir.</p> <p>17 Q. So that's the 25 percent capital budget</p> <p>18 challenge in that area in addition to the 1999</p> <p>19 25 percent budget challenge, right?</p> <p>20 A. Different budgets but the same magnitude</p> <p>21 of challenge.</p> <p>22 Q. Gotcha. Okay. So I am trying to</p> <p>23 summarize for the jury some of the things that</p> <p>24 happened at this plant, a little history here.</p> <p>25 In '99 we got the 25 percent</p>	<p style="text-align: right;">Page 180</p> <p>1 in 2001 that we discussed, right?</p> <p>2 MR. GALBRAITH: Objection, form.</p> <p>3 A. I remember seeing the documentation.</p> <p>4 Again, the time period was before my arrival; but</p> <p>5 that's the documentation --</p> <p>6 Q. (BY MR. WILLIAMS) Right.</p> <p>7 A. -- you shared with me.</p> <p>8 Q. And in August, 2004, the Veba report</p> <p>9 shared with -- or stated pretty clearly there were</p> <p>10 serious concerns about the potential for a major</p> <p>11 site incident mainly due to the very large number</p> <p>12 of hydrocarbon escapes. And we have agreed that</p> <p>13 was August of 2002 and that a hydrocarbon escape is</p> <p>14 actually what happened in March, '05, right?</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 A. I commissioned the Veba report in the</p> <p>17 summer of '02 to gain an assessment of all five</p> <p>18 sites.</p> <p>19 Q. (BY MR. WILLIAMS) Okay. Right.</p> <p>20 And this is what was told to</p> <p>21 you --</p> <p>22 A. This is the piece of it referring to</p> <p>23 Texas City.</p> <p>24 Q. Right. And it was -- so that we are</p> <p>25 clear.</p>
<p style="text-align: right;">Page 179</p> <p>1 budget challenge, correct?</p> <p>2 MR. GALBRAITH: Objection, form.</p> <p>3 A. Again, not being there; but I believe</p> <p>4 they had the challenge. I am being --</p> <p>5 Q. (BY MR. WILLIAMS) Sure. Other witnesses</p> <p>6 have confirmed it.</p> <p>7 A. So I'm just --</p> <p>8 Q. So you are --</p> <p>9 A. I am unclear of -- before I say, yes, I</p> <p>10 am aware there is a challenge. I am not sure of</p> <p>11 Texas City's response in that timeframe.</p> <p>12 Q. Yeah.</p> <p>13 But that was your recollection</p> <p>14 that in '99 there was likely a 25 percent budget</p> <p>15 challenge?</p> <p>16 A. Yeah.</p> <p>17 MR. GALBRAITH: Objection, form.</p> <p>18 Q. (BY MR. WILLIAMS) Okay. In 2001, I have</p> <p>19 shown you the document and we have looked at it</p> <p>20 where it said, "If we don't achieve a significant</p> <p>21 improvement in worker performance, one of our</p> <p>22 co-workers or contract employees will be killed</p> <p>23 within the next three or four years." I left out a</p> <p>24 few words.</p> <p>25 But that was the prediction back</p>	<p style="text-align: right;">Page 181</p> <p>1 In August of 2002, the Veba report</p> <p>2 clearly stated there was not only a concern but a</p> <p>3 serious concern about the potential not just for a</p> <p>4 site incident but a major site incident due to the</p> <p>5 large number of hydrocarbon -- very large number of</p> <p>6 hydrocarbon escapes, fair?</p> <p>7 MR. GALBRAITH: Objection, form.</p> <p>8 A. I mean, that's the quote in the document</p> <p>9 you showed me.</p> <p>10 Q. (BY MR. WILLIAMS) You bet.</p> <p>11 And in March of '04, in one of</p> <p>12 these ESI studies or feedbacks, somebody put down,</p> <p>13 "Quit waiting for a known possible unit disaster to</p> <p>14 happen before correcting the problem."</p> <p>15 We went over that document. I</p> <p>16 read it correctly, didn't I?</p> <p>17 A. I'm not sure --</p> <p>18 MR. GALBRAITH: Objection, form.</p> <p>19 A. -- of the genesis of the document, but</p> <p>20 that is the quote that appeared in the document you</p> <p>21 showed me.</p> <p>22 Q. (BY MR. WILLIAMS) You bet.</p> <p>23 And then sometime in the January</p> <p>24 timeframe, give or take a little, there was another</p> <p>25 25 percent capital budget challenge for 2005,</p>

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1 right?

2 MR. GALBRAITH: Objection, form.

3 A. Yes, I think we discussed the timeframe

4 in detail.

5 Q. (BY MR. WILLIAMS) And then in 2005,

6 January, we're going to go back to the Telos

7 Report, one of the things, there is an exceptional

8 degree of fear of catastrophic incidents at Texas

9 City, right?

10 MR. GALBRAITH: Objection, form.

11 A. Around the condition of the kit or

12 infrastructure is what that's describing.

13 Q. (BY MR. WILLIAMS) Right.

14 And then in February it says, "I

15 truly believe we are on the verge of something

16 bigger happening." Correct quote?

17 MR. GALBRAITH: Objection, form.

18 A. That is a direct quote out of an e-mail,

19 but I am not sure I have the context around the

20 e-mail or the AAR for it. So I -- I am just not

21 sure of the context for that one. The quote is

22 correct, but the context is missing for me.

23 Q. (BY MR. WILLIAMS) I won't quibble with

24 you.

25 March 15th, '05, some eight days

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1 before this explosion, your own safety people in

2 putting up 2005 key risks, "TCS kills someone in

3 the next 12 to 18 months," right?

4 MR. GALBRAITH: Objection, form.

5 A. That was the statement made in their

6 safety business plan.

7 Q. (BY MR. WILLIAMS) And their safety

8 business plan actually turned out -- the key risk

9 actually turned out to be that it not only killed

10 someone but it killed a bunch of people, and it was

11 just eight days later?

12 MR. GALBRAITH: Objection, form.

13 A. Given the incident occurred eight days

14 later, the number is correct.

15 Q. (BY MR. WILLIAMS) Now, is there any

16 question, then, in your mind, sir, I know you were

17 trying personally to make some improvements but you

18 inherited what, essentially, had become a plant

19 that whether you call it rundown or you call it

20 underfunded, it was a plant that was in need of

21 repair not only to the pipes but also it was in

22 need of repair to the safety culture at that plant?

23 MR. GALBRAITH: Objection, form.

24 A. Through some of the reports up there,

25 Telos being one, okay, it's clear in my mind the

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1 site needed infrastructure repairs and corrections

2 to the safety culture.

3 Q. (BY MR. WILLIAMS) And that meant repairs

4 to the people in the safety -- not only the safety

5 culture of the training but also meant repairs to

6 the -- to the people, to their mindset, the way

7 they approached things in safety, right?

8 MR. GALBRAITH: Objection, form.

9 A. This is an element of the culture.

10 Q. (BY MR. WILLIAMS) And it needed more and

11 sooner leadership to step in and actually come back

12 and emphasize that safety was and should be the

13 Number 1 priority, right?

14 MR. GALBRAITH: Objection, form.

15 A. During the time period, that's what I was

16 doing with that, both to the leadership team and

17 the first level supervisors and the workforce.

18 Q. (BY MR. WILLIAMS) And as stated in the

19 final report, one of the reasons you were having to

20 come back in and try and fix this what I referred

21 to as a problem was that over a period of time the

22 safety culture at that plant had been allowed to

23 erode and fall below an industry standard, true?

24 MR. GALBRAITH: Objection, form.

25 A. Over a period of time, it formed a

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1 culture. Whether it eroded or was always that way

2 but the culture was what it was when we took the

3 sampling in January of 2005.

4 Q. (BY MR. WILLIAMS) So --

5 A. The process it got there, I am not clear

6 on.

7 Q. Okay.

8 A. But it was what it was.

9 Q. And it was certainly below any acceptable

10 standard, true?

11 MR. GALBRAITH: Objection, form.

12 A. It was below an acceptable standard.

13 Q. (BY MR. WILLIAMS) Okay. So let's talk

14 about the fact that -- well, I want to go back to

15 this Veba.

16 Did the Veba report, the August,

17 2002 Veba report, did you ask for that to be put in

18 place?

19 A. Yes, sir. What had -- I was in the

20 London office at the time the Veba study was going

21 on to look at the five refineries in Germany prior

22 to the purchase. And then upon arriving in BP

23 South Houston, this group was available. So I

24 asked this group to come in and do a comparison,

25 come in and look at all five sites in South

<p style="text-align: right;">Page 186</p> <p>1 Houston, the four chemical plants plus the 2 refinery, and compare them to what was found with 3 the five sites in Germany. 4 So the study was commissioned 5 around May, June of '02 with the final results 6 coming out somewhere in the August time period. 7 Q. Is it fair to say, then, that this 8 report -- and it shows here it came out, your 9 memory is correct, August of 2002, final report. 10 Is it fair to say that when this 11 assessment was done, comparing -- and I just want 12 to focus on the Texas City refinery -- that it fell 13 far short of the safety standards that were set by 14 the Veba plants in Germany? 15 MR. GALBRAITH: Objection, form. 16 A. Looking through the safety lens, looking 17 through the conditions of the asset, it was below 18 the performance of the German five refineries. 19 Q. (BY MR. WILLIAMS) It wasn't just below 20 it. It fell pretty far short, didn't it, sir? 21 MR. GALBRAITH: Objection, form. 22 A. It was below. 23 Q. (BY MR. WILLIAMS) I mean, are we talking 24 about like one percent below or was it 25 significantly below?</p>	<p style="text-align: right;">Page 188</p> <p>1 to -- 2 A. I need a copy. I want to catch up to 3 you. 4 Q. Sure. 5 A. Because it's difficult for me to read 6 that up there. 7 MR. WILLIAMS: Mr. Galbraith, if 8 you would quit hiding documents from your client, 9 it would help us move forward. 10 MR. GALBRAITH: No. 11 THE WITNESS: Yes. 12 A. Sir, where are you? 13 Q. (BY MR. WILLIAMS) I am on the second 14 page of -- that's not the full Veba report. I have 15 just pulled some pages for us to use today. 16 But if you look at that, again, 17 this is Exhibit 83 (sic). And we look there, it 18 says under Leadership: There's clearly a can do 19 culture in South Houston; however, it is often 20 accompanied by a can't finish approach to the 21 management of change. It goes on to say: Coupled 22 with this, it is observed that the site often 23 thrives on, quote, train wrecks, close quote, as 24 opposed to be focusing on meticulous planning and 25 being boringly efficient.</p>
<p style="text-align: right;">Page 187</p> <p>1 MR. GALBRAITH: Objection, form. 2 A. There was no scaling to give me a number 3 how far below, sir. It was below. 4 This, then, led to some 5 organizational changes in September. 6 Q. (BY MR. WILLIAMS) Of '02? 7 A. Yes, sir. 8 Q. And what were those, if you would? 9 A. This Veba study was presented then to the 10 board, as I said before. At that time, though, it 11 was Mike Hoffman and Andrew Mackenzie because 12 Andrew was Holly Van Deursen's predecessor. 13 This was presented then and then 14 Rick Hale's position was -- was added and 15 determined to be put in place, that the Texas City 16 refinery now would have an on-site full-time BUL, 17 which it had not had in place beforehand, and also 18 put in place a very high level transition manager, 19 his name being Pat King, to drive what was called 20 transformation at the time to start addressing 21 issues around the kit. 22 So this led to a response from 23 this report to start to make the changes, and this 24 was the genesis for Rick arriving. 25 Q. The Veba report that you are referring</p>	<p style="text-align: right;">Page 189</p> <p>1 Correct? 2 A. That's -- 3 MR. GALBRAITH: Objection, form. 4 A. -- stated. 5 Q. (BY MR. WILLIAMS) Now, I mean you are 6 not -- are you disputing in any way the Veba 7 finding about having a can do but can't finish 8 culture? 9 A. No. That's the terminology that was 10 phrased following the Veba study. What you've 11 helped me refresh was where it actually came from. 12 Okay. But I mean the phrase "can 13 do can't finish" surfaced around the time of the 14 Veba study. I wasn't sure of its exact genesis but 15 this clarified it. 16 Q. Okay. And this is from August of 2002 17 and it also references the fact that, with regard 18 to leadership, the site often thrives on train 19 wrecks as opposed to meticulous planning and being 20 boringly efficient, correct? 21 MR. GALBRAITH: Objection, form. 22 A. That's what it stated. 23 Q. (BY MR. WILLIAMS) Okay. And one of the 24 things that they asked that you do, or recommended, 25 is that the third bullet point they said that,</p>



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1 "Clearly demonstrating a tougher and principled  
2 position on specific operational issues" and it  
3 says, "e.g. hydrocarbon leaks," right?  
4 A. That's what it stated, sir.  
5 Q. Same kind of thing that occurred in  
6 March, '05, a hydrocarbon leak, right?  
7 MR. GALBRAITH: Objection, form.  
8 A. Hydrocarbon release in '05.  
9 Q. (BY MR. WILLIAMS) That's right.  
10 And it said, of course, in that  
11 same report that you commissioned in '02, that's  
12 where we come up with the fact that personal safety  
13 performance is excellent. That's when people -- I  
14 mean, people are out there wearing their hard hats  
15 and wearing their eyeglasses.  
16 It says personal safety protection  
17 is excellent, right?  
18 MR. GALBRAITH: Objection, form.  
19 A. Yes, sir.  
20 Q. (BY MR. WILLIAMS) But serious concerns  
21 about the potential for a major site incident due  
22 mainly to the very large numbers of hydrocarbon  
23 escapes, and that's what we are talking about in  
24 March of '05's hydrocarbon escape, right?  
25 MR. GALBRAITH: Objection, form.

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1 A. That's what occurred in the incident.  
2 Q. (BY MR. WILLIAMS) It goes on to say,  
3 "There's a large backlog of overdue inspections  
4 that have a direct cause and effect on the ability  
5 of the site to sustain high levels of reliability."  
6 The final report in '05 found that  
7 there was a backlog of overdue inspections and  
8 audits, correct?  
9 MR. GALBRAITH: Objection, form.  
10 A. That's what was stated in the report.  
11 Q. (BY MR. WILLIAMS) Okay. So we've got  
12 '02 saying large backlog of overdue inspections and  
13 then after the fire and explosion in '05 and after  
14 this 25 percent capital budget challenge in  
15 December, '05, we find the same thing, a backlog of  
16 overdue inspections, right?  
17 MR. GALBRAITH: Objection to form.  
18 A. The same words, yes. But I don't know  
19 what exactly -- I am not sure what the actual  
20 numbers are, if it has improved, declined.  
21 Q. (BY MR. WILLIAMS) Okay.  
22 A. Same words.  
23 Q. Now, these problems that came from the  
24 Veba report, were they shared with people above you  
25 such as Mr. Gower, Mr. Hoffman and higher?

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1 MR. GALBRAITH: Objection, form.  
2 A. Pat was not in the role at the time of  
3 that organizational structure was occurring. There  
4 was a meeting in the August timeframe with Mike  
5 Hoffman and Andrew Mackenzie, which again were my  
6 two dotted lines and my two report relationships  
7 that I clarified earlier as the board, which is the  
8 group vice president for refining and group vice  
9 president for the chemical sector.  
10 Q. Okay.  
11 A. This study was presented to them, the  
12 findings were.  
13 Q. So this finding in August of 2002 was  
14 presented to Mr. Hoffman as the -- in his capacity  
15 as vice president of refining for North America?  
16 A. Vice president of refining.  
17 Correct, all the refining.  
18 Q. All the refining --  
19 A. Yes.  
20 Q. -- worldwide?  
21 A. Yes, there was no regional vice  
22 presidents in that role at that time.  
23 Q. Okay. And who was the other -- there was  
24 a -- to the vice president --  
25 A. Andrew Mackenzie, who was the predecessor

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1 for Holly Van Deursen.  
2 Q. And so if we go back to this org chart,  
3 when this 2002 report came out, org chart being  
4 Exhibit 496, we've got it going up to Mike Hoffman  
5 and we've got the report going over to Holly Van  
6 Deursen who is --  
7 A. You really -- you see the name next to  
8 it, it was really Andrew Mackenzie.  
9 Q. Right. Andrew -- exactly, who is the --  
10 she was the -- he was one of the four worldwide  
11 group vice presidents, right?  
12 MR. GALBRAITH: Objection, form.  
13 A. I mean, there's four worldwide EVPs.  
14 There was many more GVPs, just to make sure,  
15 because I tried to clarify that before.  
16 Q. (BY MR. WILLIAMS) Okay.  
17 A. Okay. John Manzoni was an EVP. There  
18 are four of them worldwide. Andrew, Holly, Mike  
19 are GVPs; and there are several of them worldwide.  
20 Q. But the problems that were documented in  
21 the Veba report in August, 2002, were reported at  
22 least as far as someone who was one step removed  
23 from Lord Browne, right?  
24 MR. GALBRAITH: Objection, form.  
25 Q. (BY MR. WILLIAMS) That being Andrew

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1 Mackenzie?

2 A. No. It would be Iain Conn and John

3 Manzoni, so, yeah.

4 Q. Okay. How would you characterize the

5 Telos Report that you received in January of 2005

6 with regard to the safety culture at your plant?

7 You said you wouldn't call it alarming or shocking.

8 Would you give it a passing -- did you think you

9 received a passing grade?

10 MR. GALBRAITH: Objection, form.

11 A. The reason I characterize it as not

12 shocking or alarming, it reinforced things that we

13 were looking at and it reinforced the things we

14 were already moving on. We didn't start training

15 post the Telos. We had already put in place

16 training.

17 We didn't start compliance because

18 of Telos. So the five areas that were prioritized

19 by Telos for us were areas that we were already in

20 action on. What it did is accelerate that. Okay?

21 But I did not read it as getting

22 a -- I didn't look through it as a grade system

23 when I received it. I looked at it as

24 unacceptable.

25 Q. (BY MR. WILLIAMS) And to be fair, these

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1 five areas that Telos said you had problems with,

2 that wasn't a new surprise. I mean, you had

3 inherited by and large all five of those problem

4 areas when you became BUL in June of '04, correct?

5 MR. GALBRAITH: Objection, form.

6 A. They had been there beforehand, but the

7 one that probably was amplified a little bit more

8 was with the separation of the chemical companies

9 and the unwinding reorganization, looked at the

10 clear accountabilities and that probably moved up

11 in the list of Telos than in the past because it

12 was an evolving changing organization through that

13 period of time.

14 Q. (BY MR. WILLIAMS) In fact, over the

15 years the management organization at Texas City

16 refinery had changed, the personnel had changed

17 often, correct?

18 MR. GALBRAITH: Objection, form.

19 A. I need to put a little time window on

20 that. But if I look at the five- to seven-year

21 range, not so much that the personnel changed. The

22 structures were -- the structure changed several

23 times during that period of time.

24 We went from separate sites to

25 integrated sites back to separate sites, and then

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1 you weave in there some organizational people

2 changes in there and the site had gone through some

3 organizational unrest.

4 Q. (BY MR. WILLIAMS) This organizational

5 unrest was from -- preceded -- was before the

6 March, '05 fire and went back how long, do you

7 think?

8 MR. GALBRAITH: Objection, form.

9 A. The first significant change for that

10 site was probably integrated, moving from a

11 separate site; and I would have probably a

12 five-year -- five-, six-year window out when that

13 started.

14 Q. (BY MR. WILLIAMS) Okay. Fair to say

15 that summarizing the organization and management of

16 the Texas City refinery that in the five years

17 leading up to the fire and explosion, there was, in

18 your words, organizational unrest?

19 MR. GALBRAITH: Objection, form.

20 A. There was change because it went from, at

21 that time, five sites, five separate managers, five

22 separate leadership teams reporting through their

23 separate channels to an integrated site, trying to

24 run at times as one company and other times as a

25 separate company. Then in '04 reversing that,

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1 going back to separate sites, a closure in the

2 middle of that, because one of the sites did close

3 and the people from that site moved sites.

4 So there was an organizational

5 change.

6 Q. (BY MR. WILLIAMS) And you characterized

7 it -- in fact, if I got your words correct that

8 during that period, "organizational unrest"?

9 A. Yes, because there was a lot of change.

10 Q. Okay.

11 A. The Telos Report, that was their Number 1

12 recommendation was to, with the changes, was to get

13 the accountability clear following the changes.

14 Q. Okay. This is --

15 A. Do you have a date on this letter?

16 Q. I am sorry. I don't. We will look and

17 see. We will look at it together and see. I'm not

18 sure if I can tell you.

19 (Exhibit Number 499 marked for

20 identification.)

21 Q. (BY MR. WILLIAMS) This is Exhibit 499.

22 At the top it says, "Note from Don

23 to Front Line Leaders." And it appears to be, and

24 if you can confirm for us, it is a note from you to

25 the front line leaders with copies to all

<p style="text-align: right;">Page 198</p> <p>1 supervision and it regards the Telos Report, right?</p> <p>2 A. Can I just take two minutes to</p> <p>3 refamiliarize myself with it?</p> <p>4 Q. You've got it.</p> <p>5 A. Any luck on -- any luck on timing?</p> <p>6 Q. I haven't looked. If you'll -- when</p> <p>7 looking at it, if you will check. You are going to</p> <p>8 know a lot more than I do, I hope.</p> <p>9 A. I see one thing about it. You have a</p> <p>10 blank in a letter, which I know I wouldn't issue it</p> <p>11 with a blank. So I'm just not -- that's why I am</p> <p>12 questioning is this the original letter that went</p> <p>13 out.</p> <p>14 Q. Where's the blank?</p> <p>15 A. On my sheet there's a big blank right</p> <p>16 here.</p> <p>17 Q. Huh.</p> <p>18 A. Right there (indicating).</p> <p>19 I can assure you I wouldn't issue</p> <p>20 a letter that had blanks in it. So I am not sure</p> <p>21 if this is the actual one that went out or not.</p> <p>22 Q. Well this is the one that was given to</p> <p>23 us --</p> <p>24 A. Okay.</p> <p>25 Q. This is what was given to us. So I don't</p>	<p style="text-align: right;">Page 200</p> <p>1 that this was actually sent out.</p> <p>2 Q. (BY MR. WILLIAMS) And I am not -- well,</p> <p>3 what is it, though?</p> <p>4 A. I just don't recognize it. Okay?</p> <p>5 I will be honest with you. I</p> <p>6 don't recognize it.</p> <p>7 Q. Okay. Is it a draft do you think you</p> <p>8 made?</p> <p>9 A. Possibly. My recollection of talking to</p> <p>10 the front line supervisors about the Telos study</p> <p>11 was to -- I did it face-to-face with them.</p> <p>12 Q. Right, but read this.</p> <p>13 Is this the way -- your style of</p> <p>14 communicating it? It starts out, "This note is to</p> <p>15 inform you regarding some things about our -- what</p> <p>16 we are doing"?</p> <p>17 MR. GALBRAITH: Objection, form.</p> <p>18 Q. (BY MR. WILLIAMS) The second paragraph,</p> <p>19 "Robert Kemp has been released from critical care"?</p> <p>20 MR. GALBRAITH: Objection, form.</p> <p>21 Q. (BY MR. WILLIAMS) The third paragraph,</p> <p>22 "As I have shared with you recently, the tragedy at</p> <p>23 UU3..."</p> <p>24 MR. GALBRAITH: Objection, form.</p> <p>25 A. I just can't -- it's a lot longer than</p>
<p style="text-align: right;">Page 199</p> <p>1 know either.</p> <p>2 A. I am not sure of the timing of it. Again</p> <p>3 I am not -- it's not ringing a bell of being</p> <p>4 issued. Okay?</p> <p>5 Q. Okay.</p> <p>6 A. Because the Telos Report to me was kicked</p> <p>7 off to the front line supervisors face-to-face at</p> <p>8 the Safety Reality meeting.</p> <p>9 Q. Okay.</p> <p>10 A. Okay? My recollection of kicking off the</p> <p>11 Telos Report was during the Safety Reality</p> <p>12 sessions, which it was done face-to-face, and then</p> <p>13 the supervisors were given copies of the surveys to</p> <p>14 complete out during that session.</p> <p>15 Q. Okay. So what is this? It says,</p> <p>16 Exhibit 499, it says at the top, "Note from Don to</p> <p>17 Front Line Leaders." And it says from Don Parus</p> <p>18 and it was provided to us by the attorneys for BP.</p> <p>19 A. I always --</p> <p>20 Q. What is it?</p> <p>21 A. I put --</p> <p>22 MR. GALBRAITH: Objection, form.</p> <p>23 A. I mean, I always put my name at the end</p> <p>24 of these. They are always dated. I am just</p> <p>25 struggling with it with that so that I can validate</p>	<p style="text-align: right;">Page 201</p> <p>1 I'm used to -- I just cannot place it. Out of all</p> <p>2 the documents you have given me, this is one that I</p> <p>3 am just not placing very well in my memory.</p> <p>4 Q. (BY MR. WILLIAMS) That's okay. I'll</p> <p>5 just -- I am going to ask you about it.</p> <p>6 Is it something that you likely</p> <p>7 drafted, though? Does it look like something that</p> <p>8 you likely drafted?</p> <p>9 A. I would put out periodic updates</p> <p>10 regarding Ray and Robert, but they stopped per the</p> <p>11 request of the families. That's why I am wondering</p> <p>12 if this was a draft and rescinded because the</p> <p>13 Gonzalezes asked me to put out no updates about</p> <p>14 Ray.</p> <p>15 So I stopped putting out any</p> <p>16 updates on paper. That's why it just doesn't -- it</p> <p>17 doesn't fit for me right now that I would put in</p> <p>18 there, "Ray Gonzalez has hung in there and has made</p> <p>19 some significant..."</p> <p>20 The family had personally asked me</p> <p>21 not to put out any updates on Ray.</p> <p>22 Q. Okay.</p> <p>23 A. So that's why I am kind of taken back by</p> <p>24 this a little bit that this went out.</p> <p>25 Q. Well, I'm not -- I don't know whether it</p>

<p style="text-align: right;">Page 202</p> <p>1 went out or not. I am not arguing about that.  2 What I'd like to know, though,  3 Mr. Parus, look at this paragraph. It says:  4 Starting next week, I have asked a third party to  5 come in and interview about 75 people and survey  6 the rest of us that we can have a picture, complete  7 with all the, quote, brutal facts, close quote, of  8 the way it really is.  9 Whether that -- is that a true  10 statement that at some point you asked the third  11 party, which I believe was Telos, to come in and do  12 that, give you the brutal facts?  13 A. I'm not --  14 MR. GALBRAITH: Objection, form.  15 A. -- going to look at the document. I am  16 going to answer what actually took --  17 Q. (BY MR. WILLIAMS) Clearing --  18 A. -- place. All right. I don't want to  19 reference the document.  20 Q. Okay.  21 A. I communicated to them directly that I  22 asked a third party to come in, Telos, to do this.  23 Q. To give you the brutal facts?  24 A. The --  25 MR. GALBRAITH: Objection, form.</p>	<p style="text-align: right;">Page 204</p> <p>1 Q. Fair enough.  2 Let me show you Exhibit 385. And  3 that is -- is that, sir, the Executive Summary of  4 January 21, '05, of the Telos Report?  5 A. Isn't that the same one you just handed  6 me? Are these one and the same documents?  7 Q. I don't know. Let's focus on  8 Exhibit 385, though.  9 A. Okay, sir.  10 Q. Okay.  11 A. I haven't seen it in over a year, but I  12 have no reason to believe it's not the document.  13 Q. Okay. Let me put it in precise terms.  14 Exhibit 385, is it your belief  15 that that is a copy of the Executive Summary of the  16 Telos Report?  17 A. I have no reason to believe it's not.  18 Q. Okay. And one of the reasons that you  19 asked for the Telos Report to be done was you  20 wanted, quote, the brutal facts, close quote, about  21 where you stood on safety in your plant?  22 A. The safety culture.  23 MR. GALBRAITH: Objection, form.  24 A. The safety culture.  25 Q. (BY MR. WILLIAMS) The safety culture.</p>
<p style="text-align: right;">Page 203</p> <p>1 A. The "brutal facts" was words I have used.  2 It's words coming out of -- Jim Collins is where  3 the words were taken from. Jim Collins' work on  4 Good to Great and using the terms of the book. In  5 fact, that's where the genesis of the 1000 day  6 goals come from, but "brutal facts" was that  7 terminology for it.  8 Q. (BY MR. WILLIAMS) Okay.  9 A. And I asked Geoffrey to come in. And I  10 don't recall the number of people he interviewed.  11 I think he interviewed over a hundred when it was  12 all said and done.  13 So, I mean, there was a  14 communications rep that was coming in, who wanted  15 to take a look at the site, what the safety culture  16 was. We wanted for them to be brutally honest in  17 their responses, both on paper and in the  18 interviews. But I needed to know where the site  19 was at in order to formulate a response.  20 Q. Okay.  21 A. But I remember that being more verbal and  22 then following up with a much different letter  23 after the Safety Reality sessions that kicks this  24 off to the whole workforce. So it just seems out  25 of phase to me a little bit.</p>	<p style="text-align: right;">Page 205</p> <p>1 Thank you.  2 Now, Telos came back and reported  3 to you, let's look at this, that "Many reported  4 feeling blamed when they had gotten hurt or that  5 they felt investigations were too quick to stop at  6 operator error as the root cause." That was one of  7 the things that Telos found as part of your -- the  8 gaps in your safety culture, right?  9 A. As stated.  10 Q. And is it fair to say that that would be  11 a gap --  12 MR. GALBRAITH: Objection --  13 Q. (BY MR. WILLIAMS) -- in safety culture?  14 MR. GALBRAITH: Objection, form.  15 A. It's a finding.  16 Q. (BY MR. WILLIAMS) Well, I'm -- I'm not  17 trying to quibble with you. But I see it, perhaps,  18 as a gap.  19 Would you quibble with the word  20 "gap"?  21 MR. GALBRAITH: Objection, form.  22 A. Actually, no.  23 Q. (BY MR. WILLIAMS) Okay. It goes on to  24 say in the Telos Report, "Many report errors due to  25 a lack of time for job analysis, a lack of adequate</p>

<p style="text-align: right;">Page 206</p> <p>1 staffing, a lack of supervisory staffing and a lack 2 of resident knowledge of the unit in the 3 supervisory staff." 4 That would be a gap that was 5 reported to you, sir? 6 MR. GALBRAITH: Objection, form. 7 A. That was the viewpoint reported back. 8 Q. (BY MR. WILLIAMS) Number 5 there: 9 Intentional deviations from safe operating 10 procedures, violations, were also reported to be 11 common because of the off sited, quote, culture of 12 casual compliance, close quote, right? 13 A. That's what it -- 14 MR. GALBRAITH: Objection, form. 15 A. -- states. 16 Q. (BY MR. WILLIAMS) And this culture of 17 casual compliance, I think, we -- didn't we 18 establish earlier had gone back several years 19 before this January, '05, report? 20 MR. GALBRAITH: Objection, form. 21 A. The culture of casual compliance, the 22 genesis of it, I think, was so subtle. The genesis 23 was the control of work audit that was done in May 24 of 2004. 25 Q. (BY MR. WILLIAMS) Okay. That's when the</p>	<p style="text-align: right;">Page 208</p> <p>1 City." 2 Now, that somewhat mirrors the 3 Veba report that goes all the way back to 2002 when 4 there was a fear of a major incident, true? 5 MR. GALBRAITH: Objection, form. 6 A. It would be similar. Both of them are 7 referring to the conditions -- conditions of the 8 kit, in my mind, is interpreted as conditions of 9 infrastructure. 10 Q. (BY MR. WILLIAMS) That's right. 11 Infrastructure meaning the -- 12 A. Piping. 13 Q. -- assets and piping and stuff in the 14 plant, right? 15 A. Yes, sir. 16 Q. Lack of maintenance? 17 A. The condition. 18 MR. GALBRAITH: Objection, form. 19 A. Right. 20 MR. WILLIAMS: We are about to run 21 out of tape. So why don't we take a break? 22 THE WITNESS: Okay. 23 THE VIDEOGRAPHER: Off the record 24 at 2:48, ending Tape 4. 25 (Recess taken.)</p>
<p style="text-align: right;">Page 207</p> <p>1 term was applied to it; but the fact that there was 2 an actual culture of casual compliance, that likely 3 had been something that had historically been at 4 the plant much before this tag was put on it in 5 '04, correct? 6 A. Possibly -- 7 MR. GALBRAITH: Objection, form. 8 A. -- but was not stated specifically that 9 way. 10 Q. (BY MR. WILLIAMS) Right. 11 But you don't think it just popped 12 up in June of '04, this culture of casual 13 compliance, do you? 14 MR. GALBRAITH: Objection, form. 15 A. As I stated earlier, I think a culture 16 takes years in the making. 17 Q. (BY MR. WILLIAMS) Agreed. 18 Now, Number 5: Intentional 19 deviations from safe operating procedures, 20 violations are also reported to be common -- well, 21 I just went over that. Strike that. 22 A. We've already gone through this. 23 Q. See. I am confused. 24 Number 6, "There is an exceptional 25 degree of fear of catastrophic incidents at Texas</p>	<p style="text-align: right;">Page 209</p> <p>1 THE VIDEOGRAPHER: On the record 2 at 3:07 p.m., beginning Tape 5. 3 Q. (BY MR. WILLIAMS) Mr. Parus, we are 4 still on the subject of the Executive Summary of 5 the Telos Report and under training it says -- 6 A. Let me just catch up to you, okay, make 7 sure I'm on the same page you are. 8 Q. Got it. Page 2 of 7, or you can look at 9 the screen. 10 A. I am with you. 11 Q. Okay. 12 A. It's easier for me to look at this. 13 Q. Sure. 14 A. My eyesight's not as good. 15 Q. "Training. Almost all interviewees say 16 the quantity and quality of training at Texas City 17 is" and they use the word "inadequate and prohibits 18 the site from having a common understanding of the 19 core HSSE management system as well as compromising 20 other protection critical competence." 21 Now, my question to you is: First 22 of all, HSSE, that means -- one of those is safety, 23 right? 24 MR. GALBRAITH: Objection, form. 25 A. The HSSE stands for -- the H is health.</p>

<p style="text-align: right;">Page 210</p> <p>1 Q. (BY MR. WILLIAMS) Right.</p> <p>2 A. The first S is safety.</p> <p>3 Q. Right.</p> <p>4 A. Second S is security.</p> <p>5 Q. Right.</p> <p>6 A. And the third -- or fourth letter E would</p> <p>7 be environmental.</p> <p>8 Q. And when you -- and what is "protection</p> <p>9 critical competence"?</p> <p>10 That's some kind of corporate</p> <p>11 speak. Interpret it for us, if you would.</p> <p>12 A. I, actually, think it's consultant speak.</p> <p>13 Okay. Geoffrey from Telos used the word</p> <p>14 "protection" instead of "safety" in his</p> <p>15 presentations to us and in the report. So I don't</p> <p>16 attribute it to a BP -- genesis of a BP term. I</p> <p>17 think it's something Geoffrey used in his</p> <p>18 experience in the industry calling it "protection</p> <p>19 systems" referring to "safety."</p> <p>20 Q. One of the principals at Telos, then,</p> <p>21 would use the word "protection" instead of the word</p> <p>22 "safety" and whenever we see the word "protection"</p> <p>23 in the Telos Report, would it be your</p> <p>24 interpretation that we ought to just probably</p> <p>25 substitute in the word "safety"?</p>	<p style="text-align: right;">Page 212</p> <p>1 almost all interviewees said the quantity and</p> <p>2 quality at Texas City is inadequate?</p> <p>3 MR. GALBRAITH: Objection, form.</p> <p>4 A. I mean, we -- before the Telos Report, I</p> <p>5 was moving down a trail to shift the safety</p> <p>6 training from computer based to face-to-face, which</p> <p>7 would improve the quantity and quality of training.</p> <p>8 I viewed this statement to reinforcing what we were</p> <p>9 already on.</p> <p>10 Q. (BY MR. WILLIAMS) And so you would agree</p> <p>11 that before the Telos Report quantity and quality</p> <p>12 of training at Texas City was inadequate?</p> <p>13 MR. GALBRAITH: Objection, form.</p> <p>14 A. We were already on that path already.</p> <p>15 Q. (BY MR. WILLIAMS) But you would agree it</p> <p>16 was inadequate?</p> <p>17 MR. GALBRAITH: Objection, form.</p> <p>18 A. The delivery was inadequate, that's</p> <p>19 correct.</p> <p>20 Q. (BY MR. WILLIAMS) Okay.</p> <p>21 A. I am not sure I get into what prediction</p> <p>22 critical competencies is.</p> <p>23 Q. Well, with regard to production, pressure</p> <p>24 and staffing, it says, "Most interviewees at the</p> <p>25 production level say the pressure for production,</p>
<p style="text-align: right;">Page 211</p> <p>1 MR. GALBRAITH: Objection, form.</p> <p>2 A. Let me think about that for a second and</p> <p>3 make sure that's correct.</p> <p>4 Q. (BY MR. WILLIAMS) Sure.</p> <p>5 A. "Protection" in Telo's minds is whatever</p> <p>6 is required to protect the employees that come</p> <p>7 through the gate. That's my understanding of how</p> <p>8 the word "protections" would be used. So "safety"</p> <p>9 would be a fair comparison.</p> <p>10 Q. Okay. So if we use -- if we were to</p> <p>11 substitute in this sentence about the lack of</p> <p>12 quantity and quality of training and the very last</p> <p>13 words there would be it comprises other and we</p> <p>14 could say "safety critical competence," right?</p> <p>15 MR. GALBRAITH: Objection, form.</p> <p>16 A. Yes, sir.</p> <p>17 Q. (BY MR. WILLIAMS) What is "safety</p> <p>18 critical competence" or "protection critical</p> <p>19 competence" mean?</p> <p>20 A. I am not sure I have a detailed</p> <p>21 definition of what was in Geoffrey's mind. That's</p> <p>22 his words. It's, again, a different vernacular</p> <p>23 than we are used to hearing.</p> <p>24 Q. And is that a fair criticism that</p> <p>25 Telos -- in the Telos Report, the first part that</p>	<p style="text-align: right;">Page 213</p> <p>1 time pressure and understaffing are the major</p> <p>2 causes of accidents at Texas City. They say all of</p> <p>3 these have gotten steadily worse in recent years</p> <p>4 and that cuts have gone beyond what is safe in many</p> <p>5 cases. People across levels perceive that</p> <p>6 understaffing had gotten to a point where it was</p> <p>7 significant enough to undermine protection, that</p> <p>8 is, safety, process safety management,</p> <p>9 environmental management, and integrity</p> <p>10 management."</p> <p>11 That was the finding, true?</p> <p>12 MR. GALBRAITH: Objection, form.</p> <p>13 A. That is stated.</p> <p>14 Q. (BY MR. WILLIAMS) And one might</p> <p>15 summarize that as people had the perception that</p> <p>16 profits were more important than people?</p> <p>17 MR. GALBRAITH: Objection, form.</p> <p>18 A. The perception that was shared with me</p> <p>19 was production had more importance than people.</p> <p>20 Q. (BY MR. WILLIAMS) Okay. Production had</p> <p>21 more importance than people was the -- was what the</p> <p>22 gist of what you get out of this statement, right?</p> <p>23 A. That's what was shared with me.</p> <p>24 Q. And it says in the second sentence the</p> <p>25 cuts -- they have gotten steadily worse in recent</p>

<p style="text-align: right;">Page 214</p> <p>1 years and that cuts have gone beyond what is safe 2 in many cases. 3 You had -- had you had pressure 4 from organized labor there, the hourly workforce, 5 to increase staffing in areas? 6 A. During that window, I don't remember the 7 pressure. During that window, there was a lot of 8 dialog with organized labor on the fall out of the 9 cutting of retiree medical, which created a lot of 10 labor unrest between union leadership, the 11 workforce and management during this window of 12 time, which was just prior to this audit. 13 So I am aware of more pressure 14 discussion from that front than I am from the 15 staffing front. 16 Q. Okay. So prior to this audit, BP had 17 decided to reduce or cut the medical benefits of 18 its retirees; is that right? 19 A. What was -- 20 MR. GALBRAITH: Objection, form. 21 A. What was done during this time period 22 was -- is all of the employees that were currently 23 on the payroll would remain with their benefits; 24 however, any new hires would come in as of 25 April 1st, 2004, would come and not be entitled to</p>	<p style="text-align: right;">Page 216</p> <p>1 thinking, that's a question I can't answer you. 2 Q. (BY MR. WILLIAMS) Well, remain 3 competitive, that means -- what were they going to 4 do with the money they saved? I mean, they -- BP 5 was going to put it in its pocket and share it with 6 the shareholders, right? 7 MR. GALBRAITH: Objection, form. 8 A. I am unclear what they were going to do 9 with the money. 10 Q. (BY MR. WILLIAMS) Okay. Let's move on. 11 What is recognized and rewarded, again, the Telos 12 study says, "Most interviewees say that production 13 and budget compliance gets recognized and rewarded 14 before anything else at Texas City." 15 Fair statement? 16 A. It was -- 17 MR. GALBRAITH: Objection, form. 18 A. -- counter to my views, but it's what the 19 statement states. 20 Q. (BY MR. WILLIAMS) That was the 21 perception out there of the how many hundreds of 22 people that were surveyed? 23 MR. GALBRAITH: Objection, form. 24 A. Yes, sir. 25 Q. (BY MR. WILLIAMS) How many hundreds of</p>
<p style="text-align: right;">Page 215</p> <p>1 retiree medical benefits when they retired. 2 Q. (BY MR. WILLIAMS) This is a decision 3 that was made in 2004? 4 A. Either late 2003 or early 2004. 5 Q. And just to go back, 2004 was a record 6 profit year for BP, right, at this plant? 7 A. At this plant, yes, sir. 8 Q. Is there a reason other than saving money 9 that -- 10 A. Just to clarify, this was not a site 11 decision. This was a decision that was done across 12 the entire company, and so I cannot give you the 13 reason or the rationale behind what the reason was. 14 But it was to be instituted company-wide, not just 15 limited to Texas City. 16 Q. Well, was there a reason other than 17 saving money that BP made the decision in light of 18 record profits at least in the Texas City plant to 19 say that in the future when you retire, you are not 20 getting medical benefits from us? 21 MR. GALBRAITH: Objection, form. 22 A. I can share with you what's been told and 23 what was shared with us is to remain competitive, 24 okay, and to deal with the rising medical costs 25 which was necessary to do. What else they were</p>	<p style="text-align: right;">Page 217</p> <p>1 people were surveyed to arrive at this? 1100? 2 A. That sounds about pretty close to the 3 number. 4 Q. Okay. "Commitment resources. There is a 5 strong sense that commitment shown by Don Parus and 6 others is undermined by the lack of resources to 7 address severe hazards that exist. For most 8 people, there are many unsafe conditions that prove 9 that cost cutting and production are more important 10 than protection." 11 The 1100 people surveyed, that was 12 the conclusion as summarized by Telos? 13 MR. GALBRAITH: Objection, form. 14 Q. (BY MR. WILLIAMS) True? 15 A. That's the statement. 16 Q. And it goes on to say, "Poor equipment 17 conditions are made worse in the view of many 18 people by lack of resources for inspection, 19 auditing, training and staffing," right? 20 A. That's what is stated. 21 Q. "Cost pressures are widely reported to 22 have undermined the integrity of turnarounds as 23 well as routine maintenance. Many noted that the 24 turnaround work that has moved into ongoing 25 maintenance increases hazard and risk," true?</p>

55 (Pages 214 to 217)

1 A. That's what is stated. I mean, I have a  
2 different interpretation of that; but that's what  
3 it states.

4 Q. That's what the people out there, the  
5 1100 plus that was surveyed, that's their  
6 interpretation, right?

7 A. Yeah.

8 MR. GALBRAITH: Objection, form.

9 A. The -- the work was shifting to  
10 turnaround was in third-party contractors versus  
11 proprietary work force, and that was a growing  
12 tension between the workforce and management. And  
13 that's -- some of that might be that undertone.

14 Q. (BY MR. WILLIAMS) Okay. But my point is  
15 that if you look at these three paragraphs, there  
16 is no doubt that the people at your plant -- let's  
17 start out, it says, "A strong sense that commitment  
18 shown by Don Parus," that's you, "was being  
19 undermined by a lack of resources," right?

20 A. That's what is stated.

21 Q. Would you agree that you had a strong  
22 sense of commitment?

23 A. Yes, sir.

24 Q. And would you agree that certainly a lack  
25 of resources in some areas undermined what you

1 wanted to do?

2 A. At the time of this, I did not see that;  
3 but I can't dispute that was what was said and  
4 perceived.

5 Q. Okay. But you were -- this is the same  
6 time period where there had been a 1999 25 percent  
7 budget cut and that you, in this exact time period,  
8 in January of '05, had been challenged to make a  
9 25 percent capital expenditure budget cut, true?

10 A. I can't make the linkage to '99, but I  
11 can say that the timing for the Telos and the  
12 timing around the capital cuts for '05 were very  
13 close together.

14 Q. And 25 percent, that was the amount that  
15 you were challenged to cut for capital  
16 expenditures, true?

17 A. Yes, sir.

18 Q. That would include -- one way to do that  
19 is to defer turnarounds which are maintenance  
20 turnarounds. Is that one way?

21 A. That is a way.

22 Q. And is that one of the -- I mean, how  
23 were you going to achieve a 25 percent reduction in  
24 capital expenditures in a plant that you yourself,  
25 I believe, have admitted that had been underfunded

1 for many years?

2 MR. GALBRAITH: Objection, form.

3 A. We ended up with the cut, the 25 percent,  
4 and then in a period of time some of it was given  
5 back, not all of it but a portion of it was given  
6 back. But then discretionary projects had to be  
7 cut.

8 Case in point, there was a  
9 7 million-dollar changehouse that I promised the  
10 workforce I would build for them. Okay. Is that  
11 directly related to safety? Not in my mind. Is it  
12 a contributing factor to the perceived culture of a  
13 site? Yes, it is.

14 So projects like that that were  
15 discretionary didn't impact the safety directly  
16 around that list, the changehouse being a good  
17 example.

18 Q. (BY MR. WILLIAMS) Was it known  
19 throughout the workforce that there was a challenge  
20 to make a 25 percent reduction in budget capital  
21 expenditures that that's what you were facing in  
22 January of '05?

23 A. I am not sure I explicitly shared that,  
24 but the cut of the changehouse reflected cuts I was  
25 facing.

1 Q. Well --

2 A. I am not sure I walked out and said,  
3 "I've got X number to cut." I just said, "Given  
4 the budget constraints I am under, I am not going  
5 to be able to build the changehouse this year."

6 Q. Is it the hope that if you increase  
7 production, hopefully then making the plant more  
8 profitable, that that will somehow grant you some  
9 relief from these 25 percent capital expenditure  
10 cuts that you were challenged to do?

11 A. Not necessarily. It is not a direct  
12 correlation between our profitability and the  
13 budget.

14 Q. Well, doesn't it -- it kind of makes  
15 sense to me, Mr. Parus, that the more money you can  
16 make for the company, the easier they will go on  
17 you with these 25 percent budget cuts.

18 MR. GALBRAITH: Object --

19 Q. (BY MR. WILLIAMS) That doesn't -- that  
20 isn't the way BP does it?

21 MR. GALBRAITH: Objection, form.

22 A. The budget -- the amount of income you  
23 make and the budget are separate. Because you make  
24 more money at the site does not give you license to  
25 spend more money.



<p style="text-align: right;">Page 222</p> <p>1 Q. (BY MR. WILLIAMS) Gotcha.  2 Now, why did they need to cut your  3 capital expenditures 25 percent in '05 when you  4 were coming off a record year in '04, you had made  5 a hundred million dollars in January of '05 and  6 this plant had been underfunded for years, if not  7 decades?  8 MR. GALBRAITH: Objection, form.  9 A. I am not sure I can answer that for you,  10 what they were thinking.  11 Q. (BY MR. WILLIAMS) I mean, did anybody  12 give you an explanation and -- you know, that, hey,  13 as you aptly put it earlier, you were printing  14 money. In light of that, nobody gave you an  15 explanation as to why? They just said, "Mr. Parus,  16 25 percent capital expenditure cuts, that's your  17 challenge in '05"?  18 A. Pat --  19 MR. GALBRAITH: Objection, form.  20 A. Pat was given the challenge to take that  21 out of the region and then allocate it to the five  22 sites that were under his domain. Each site then  23 pushed back what -- their case for what they would  24 have to cut.  25 Pat then just made an ultimate</p>	<p style="text-align: right;">Page 224</p> <p>1 budget?  2 A. Roughly, yes.  3 Q. And given 17 or 18 million back, right?  4 A. Yes, sir.  5 Q. Does that mean, then, if we subtract 17  6 or 18 from 65, we'll come up with the number?  7 A. Roughly 48.  8 Q. Okay.  9 A. 48 out of 300. 20 percent is 60. So  10 it's less than 20. It's 16 to 18 percent,  11 somewhere in that range, if you do the math.  12 Q. It's 16 percent.  13 A. Okay. It's the final number, I believe,  14 that we ended up reducing.  15 Q. And how did you negotiate it from  16 25 percent to just 16 percent? I assume you  17 negotiated it or tried to.  18 A. Seeing what you could push back, what the  19 site needed, projects that you wanted at a  20 particular site. The changehouse, I will use that  21 one as another issue. Although it was a  22 discretionary project, I felt that the workforce  23 was using that as a lens to judge whether the  24 commitment to them was changing. And these  25 arguments were used in the negotiating process.</p>
<p style="text-align: right;">Page 223</p> <p>1 decision as to what the dollar amount would be by  2 site. Texas City was not the only site faced with  3 that challenge in '05.  4 Q. I understand BP wanted all the refineries  5 to cut costs, capital expenditures, by 25 percent  6 worldwide, right?  7 MR. GALBRAITH: Objection, form.  8 A. I believe the correct way to categorize  9 that is the region needed to cut 25. Now, whether  10 that meant one site did more or less than the  11 others, it was a regional challenge to Pat.  12 Q. (BY MR. WILLIAMS) What was the number  13 that ultimately, when it's all said and done, you  14 were challenged to cut from your capital  15 expenditures?  16 A. To the best of my recollection, the  17 budget was around 300 million, asked to cut 65 and  18 given about 16 or 18 back. And I would have to do  19 the calculation and math with a calculator, but  20 that's the way -- the numbers that I can remember.  21 Q. Roughly 20 percent, then?  22 A. Can I take a second to do the math?  23 Q. Well, I will help you with it.  24 You said that you were challenged  25 to cut 65 million out of a 300 million-dollar</p>	<p style="text-align: right;">Page 225</p> <p>1 Ultimately Pat sent me a note with  2 the allocated number. Commercial managers would  3 meet among themselves and make sure each  4 understands the project.  5 So the way it worked is not an  6 individual project was cut. No total budget was  7 cut, I had to find a way to live within it.  8 Q. Okay. So I can sum it up that after a  9 round of negotiations --  10 A. Several rounds.  11 Q. -- several rounds of negotiations, you  12 ultimately were -- got a memo from your boss; and  13 it said, "You are going to cut your capital  14 expenditures by 16 percent. Live with it."  15 A. I think the calculation is correct, yes.  16 Q. Okay. Now, some of the things -- I mean,  17 when you are told to cut the budget 16 percent of  18 capital expenditures, that puts a lot of pressure  19 on you, doesn't it?  20 A. It puts pressure on me, sir.  21 Q. How many times had you had budget cut  22 mandates from above since arriving in 2002 at the  23 South Houston -- as the South Houston site manager?  24 A. It's my first because prior to that as  25 site director I didn't have the budgets. So my</p>

<p style="text-align: right;">Page 226</p> <p>1 plant managers would have received any of those 2 challenges. This is the first one I really had to 3 deal with in my new role. 4 Q. Okay. And so that we are clear for the 5 jury, was any explanation given to you why it was 6 mandated and you were ordered to live with the 7 16 percent capital budget cut? 8 A. The best of my recollection was the 9 region, the overall budget for the region was 10 higher and the plan submitted and the region needed 11 to get back to plan. 12 Q. What the heck does that mean in -- I'm 13 not a -- what the heck does that mean? 14 A. The sites put in -- you put in plans, 15 multi-year plans, of what the capital budget 16 anticipated is. Things change, but we were being 17 held accountable to meet the plan we had put in the 18 year prior to that. 19 Q. Well, why is it -- so, I mean, basically, 20 they are saying -- you know, did you ever have your 21 parent tell you "because I said so"? 22 MR. GALBRAITH: Objection, form. 23 Q. (BY MR. WILLIAMS) When you were growing 24 up, did anybody say that? 25 A. Yes, sir.</p>	<p style="text-align: right;">Page 228</p> <p>1 recast the plan, it was above it; and we needed to 2 go back to what we originally submitted. That was 3 what was presented to us. 4 Q. (BY MR. WILLIAMS) You don't see the 5 analogy between that and your mother and father 6 just saying because I said so? 7 MR. GALBRAITH: Objection, form. 8 A. Not completely. 9 Q. (BY MR. WILLIAMS) So cost pressures had 10 widely reported to have undermined the integrity of 11 turnarounds as well as routine maintenance, and 12 that ongoing maintenance increases hazards and 13 risk. 14 Would you agree, first of all, 15 sir, that deferring maintenance can increase 16 hazards and risks at a plant? 17 MR. GALBRAITH: Objection, form. 18 A. Deferring maintenance without a plan, a 19 risk assessment and a mitigation effort, without 20 that included in there, can increase the risk, 21 strictly deferral. 22 Q. (BY MR. WILLIAMS) But that's what y'all 23 ended up doing was deferring maintenance, didn't 24 you? 25 MR. GALBRAITH: Objection, form.</p>
<p style="text-align: right;">Page 227</p> <p>1 Q. It sounds to me like what you were being 2 told when you asked, "Why am I having to cut 3 capital expenditures? In an already underfunded 4 plant, why am I trying to -- historically 5 underfunded, why am I having to cut it 16 percent?" 6 The answer, basically, in lay language is "because 7 I said so." 8 MR. GALBRAITH: Objection, form. 9 Q. (BY MR. WILLIAMS) True. 10 MR. GALBRAITH: Objection, form. 11 A. I'm not sure I would characterize it that 12 way. I mean I just, again, a round -- the way I 13 would characterize it, it would be a round of 14 negotiations went on. We made our case for the 15 projects we needed, the funding we needed, got part 16 of it back but didn't win the entire amount. 17 Q. (BY MR. WILLIAMS) But the only -- but I 18 am talking about the explanation for the 16 percent 19 cuts, and it sounds like the only explanation you 20 ever got was because that's the plan? 21 A. It was about -- 22 MR. GALBRAITH: Objection, form. 23 A. -- the plan. 24 A plan was submitted, a multi-year 25 plan, and things change year to year. So when we</p>	<p style="text-align: right;">Page 229</p> <p>1 Q. (BY MR. WILLIAMS) Because you didn't 2 have the budget for it? 3 A. In what time period, sir? 4 Q. '04 and '05. 5 A. When I was BUL, I did not defer 6 maintenance associated with the capital cuts. In 7 fact, the turnarounds in the first quarter of '05 8 were running \$16 million over budget. 9 Q. Okay. Well, what was cut, then? 10 A. I didn't close -- I didn't close the loop 11 yet. 12 Q. What does that mean? 13 A. I didn't -- I wasn't in balance. I 14 didn't meet the cuts. 15 I cut some discretionary projects. 16 But when we opened the units up, what needed to be 17 fixed got fixed. 18 Q. But the 16 million that you had spent -- 19 overspent, you were going to have to cut the budget 20 16 million in another area, weren't you? 21 A. Or go back and say, "I cannot and I am 22 over." 23 Q. Okay. And you -- 24 A. The point I am making to you is that 25 during the turnarounds, work and maintenance was</p>

<p style="text-align: right;">Page 230</p> <p>1 not deferred because of the budget cuts. I made 2 the decision to fix it while the units were down. 3 Q. Okay. Now, after -- while you were 4 there, was the entire plant ever shut down, the 5 Texas City refinery? 6 A. No, sir. 7 Q. Are you aware that the Texas City 8 refinery has been shut down? 9 A. Following Hurricane Rita? 10 Q. Yes. 11 A. Yes, sir. 12 Q. So a hurricane -- explain to me why they 13 shut down the refinery following a hurricane that 14 didn't even hit. 15 A. Well, I wasn't there making the 16 decisions, sir. So it's tough for me to understand 17 the logic decision-making behind that. If you want 18 to talk about hurricanes in general, I can; but I 19 was not at the site when they made the decision 20 around Rita. 21 Q. I was here during Rita, and I don't 22 recall Rita ever really hitting Texas City, do you? 23 A. No. 24 MR. GALBRAITH: Objection, form. 25 A. But I also recall a lot of people</p>	<p style="text-align: right;">Page 232</p> <p>1 MR. GALBRAITH: Objection, form. 2 A. I don't know how long it was down for. 3 It was down for a period of time. 4 Q. (BY MR. WILLIAMS) So why was it down for 5 a period of time? What did the hurricane have to 6 do with that? 7 MR. GALBRAITH: Objection, form. 8 Q. (BY MR. WILLIAMS) The hurricane that 9 didn't hit? 10 MR. GALBRAITH: Objection, form. 11 A. All I can tell you is the hurricane shut 12 19 plants down from Corpus Christi to New Orleans. 13 Okay. Texas City stayed down for 14 a period of time. Why that was, what they were 15 doing, why the decisions, I was not involved in the 16 decision process nor asked or aware of it. 17 Q. (BY MR. WILLIAMS) Okay. Let's go on in 18 the Telos Report. "Cognizant. Several aspects of 19 the organization systems and culture determined 20 cognizance or awareness of risk." 21 The question is: "Do we know what 22 we need to know in order to make the right choices 23 about safety and integrity management?" And it 24 goes on to say, "The position paradox: The people 25 who have the most influence over the decisions that</p>
<p style="text-align: right;">Page 231</p> <p>1 thinking it did and exiting Houston that put a 2 gridlock on the roads. So... 3 Q. (BY MR. WILLIAMS) No question there. 4 I mean, my point is: Do you 5 dispute the fact that Rita actually did not hit 6 Texas City? 7 A. No, I am not disputing that at all but -- 8 Q. So why would they -- 9 MR. GALBRAITH: Objection, form. 10 A. You make a decision on a hurricane when 11 you're 72 hours out because process units do not 12 come down by a push of a button. So 72 hours out, 13 you take the latest projections. If the 14 hurricane -- if the plant is within the cone, you 15 then plan shutdown procedures. 16 That is what the -- the 17 evacuations. And that time may change, but when I 18 was there, it was 72 hours out you start to 19 sequence units down. 20 Q. (BY MR. WILLIAMS) Okay. I am not 21 arguing with you about that. What I am trying to 22 find out, though, is that plant was not -- was it 23 started up immediately after the hurricane? 24 A. I don't believe so. 25 Q. It was down for several months, right?</p>	<p style="text-align: right;">Page 233</p> <p>1 determine the safety and integrity of the 2 management of a particular site are almost always 3 the most distanced from these conditions." 4 It goes on to say, "BP as a 5 corporation has had the blindness and Texas City is 6 no exception. Many managers pay more attention to 7 individual safety concerns and lack the same 8 passion or knowledge of PSM and integrity 9 management issues and many note that existing 10 monitoring and reporting systems are not monitored 11 or effective." 12 It goes on to say, "Check the box. 13 There is very little analysis of trending data. 14 The connection between key people's assessment of 15 risk and the capital planning process that has 16 seemed weak and important issues are not resolved 17 because of an overreliance on benchmarks." 18 All of those were items that were 19 reported to you and your senior leadership staff by 20 Telos, right? 21 MR. GALBRAITH: Objection, form. 22 A. It's the items I stated in the Executive 23 Summary, yes, sir. 24 Q. (BY MR. WILLIAMS) Okay. Very little 25 analysis of trending data. The trending data, one</p>

<p style="text-align: right;">Page 234</p> <p>1 of which would have been, obviously, this trend  2 that showed the upward increase and lost workday  3 injuries, right? That would be a trend?  4 MR. GALBRAITH: Objection, form.  5 A. He's in the paragraph from PSM and  6 integrity management. Lost workdays would not be  7 probably -- would not be what I consider a trending  8 data --  9 Q. (BY MR. WILLIAMS) Okay.  10 A. -- from that standpoint.  11 Q. What would be the trending data?  12 A. Closure of action items, spills,  13 environmental releases, closing of variances,  14 tracking of inspections variances, tracking of RV  15 variances. Those, I think, would fall underneath  16 the PSM category.  17 Q. Let's take the first one, closing of  18 action items.  19 A. Uh-huh.  20 Q. The final report found that there was a  21 lack of closure of action items, true?  22 A. It stated that, yes, sir.  23 Q. And it also found, for instance, the  24 relief valve study on the ISOM unit hadn't been  25 done in some 20 years, right?</p>	<p style="text-align: right;">Page 236</p> <p>1 Q. In the final report, the final death  2 report, indicated that trends in startup of the  3 ISOM unit where they had overpressured it,  4 overfilled it, things like that, they had -- those  5 had been ignored over the -- over the last 10 or  6 15 years of starting up that unit, right?  7 MR. GALBRAITH: Objection, form.  8 A. I don't know the timeframe, but they said  9 over a period of time.  10 Q. (BY MR. WILLIAMS) That's right.  11 And that's one of the things in  12 PSM you should be looking for is trends, right?  13 A. There are --  14 MR. GALBRAITH: Objection, form.  15 A. -- a series of factors to look for with  16 trends.  17 Q. (BY MR. WILLIAMS) Now, you will  18 acknowledge, won't you, sir -- and I am not saying  19 it's your fault; but you will acknowledge that  20 there were gaps in the process safety management at  21 your plant before this fire and explosion, right?  22 A. There was --  23 MR. GALBRAITH: Objection, form.  24 A. There was a PSM audit done in 2004. Some  25 were in the April, May timeframe. Okay?</p>
<p style="text-align: right;">Page 235</p> <p>1 A. It stated that. I don't know if that's  2 true or not. That was his statement. I have no  3 basis to dispute that, but I just don't have the  4 knowledge.  5 Q. Sure.  6 Doesn't that show somewhat of a  7 trend?  8 MR. GALBRAITH: Objection, form.  9 Q. (BY MR. WILLIAMS) Those things?  10 A. That is a trend through a lens.  11 Q. What about the fact that -- did you see  12 in the final report where it showed how many times  13 there had been deviations during the startup of the  14 ISOM unit overpressure deviation, overfilling  15 deviations, things like that?  16 A. When I read it, I was not aware of it in  17 the past.  18 Q. I am not saying you're aware of it, but  19 I'm saying --  20 A. I read it and it's -- I'm not in a  21 position, again, as I stated earlier, I am assuming  22 they did their diligence on it and what they  23 presented was factual.  24 Q. Right.  25 A. I have no basis to argue that point.</p>	<p style="text-align: right;">Page 237</p> <p>1 Following that report, they put  2 together action items; but the one that came to my  3 attention, the one that Bill Ralph raised to my  4 attention personally, was on the closure of action  5 items. That is the one that we -- that Bill raised  6 saying is a significant gap on. "Don, we're not  7 tracking the closure of action items."  8 Okay. Following that is we then  9 modify the 1000 day goals for 2005 and closing of  10 action items for PSM became a metric in the  11 1000 day goals.  12 Q. (BY MR. WILLIAMS) Who was the most  13 knowledgeable person about PSM at your plant while  14 you were a BUL?  15 A. Bill Ralph would be my -- I would put in  16 that category.  17 Q. Okay. What training in PSM did Joe  18 Barnes have, if any?  19 A. Unclear.  20 Q. Did you take any -- when you were going  21 through your courses in chemical engineering, did  22 you take courses in process safety management?  23 A. Now, you are testing my memory here.  24 I don't recall 30 years ago. I  25 don't believe I did.</p>

<p style="text-align: right;">Page 238</p> <p>1 Q. Okay. Are you aware of any formal 2 training you have had in process safety management 3 since your university days? 4 A. I have had training throughout my years 5 in process safety in various lower level jobs as 6 superintendent. There has -- 7 Q. Okay. 8 A. -- been various schools I went through 9 where process safety was covered under the Amoco 10 flag. 11 Q. When would the last one have been? 12 A. Formal training? 13 Q. Yes, sir. 14 A. Probably 15 years. 15 Q. And you mentioned a PSM audit in 2004. 16 What was the name of that audit? 17 A. My understanding it would be titled PSM 18 or process safety management audit. 19 Q. Why did you -- did Bill Ralph ask to be 20 part of the leadership team at your plant? 21 MR. GALBRAITH: Objection, form. 22 A. Possibly. 23 Q. (BY MR. WILLIAMS) And he was the top guy 24 responsible for process safety management, and my 25 question is: Why was he not part of the leadership</p>	<p style="text-align: right;">Page 240</p> <p>1 Q. Okay. So the one person, the person -- 2 the highest level person with process safety 3 management expertise, we can agree it was a fact, 4 was not included in the leadership team at your 5 plant? 6 A. That's correct. 7 Q. And that was the BP business model, their 8 way of doing things? 9 A. That's my understanding of the structure. 10 Q. Okay. Now that we've looked at just the 11 Executive Summary on Telos, you still don't think 12 that that was alarming to you, those items that 13 we've gone over? 14 A. As I said before, those items raised 15 concern with me. But I looked at it through two 16 lenses because I lived this report for three full 17 days with the Telos consultant. 18 Okay. I went through it, and I 19 needed to address these, felt the five lenses that 20 we chose to do that would address these, coupled 21 with, also, Telos telling us, "Don, significant 22 improvement has been made. Okay? We see it in the 23 report. We see it in the surveys, et cetera. This 24 report was not to focus on that, but you are moving 25 in the right direction."</p>
<p style="text-align: right;">Page 239</p> <p>1 team at your plant? 2 A. Two reasons. One is Bill Ralph took 3 strong direction from a process safety chairman. 4 Okay. That process safety 5 chairman was Kathleen Lucas. And, therefore, 6 Kathleen Lucas was on my leadership team. 7 Bill also reported to Joe Barnes. 8 Joe Barnes had a safety -- was on the leadership 9 team. So Bill had access through two channels 10 directly to my leadership team. 11 Point Number 2 is I am unaware of 12 the structure anywhere else in BP where PSM is part 13 of the leadership team, and I needed to vet my 14 organization through London to approve my direct 15 reports. Okay. I am not aware of where PSM 16 reports to leadership team. 17 And three is Bill also had open -- 18 or he could open communicate with me, as he did 19 with what he thought was the major fact found in 20 the PSM audit. 21 Q. So process safety management, was there 22 anybody that was an expert in process safety 23 management above Bill Ralph? 24 A. I wouldn't put him in the expert 25 category.</p>	<p style="text-align: right;">Page 241</p> <p>1 So it's that balance. 2 Q. Did you give -- were you interviewed as 3 one of the interviewees for the Telos Report? 4 A. I don't believe so, sir, no. 5 (Exhibit Number 500 marked for 6 identification.) 7 Q. (BY MR. WILLIAMS) Let me show you 8 Exhibit 500. I am sorry. I don't have a copy of 9 this, but in the -- and by the testimony of the 10 people who did it, they said that they interviewed 11 you and that these were your responses. 12 A. Very well. 13 Q. Okay. I mean, if -- do you recall now -- 14 A. I just don't recall. I have had so many 15 dialogs with Telos since the start of this study 16 that do I remember sitting down and doing a formal 17 interview? No. Do I remember talking to Telos? 18 Many occasions. 19 Q. Okay. 20 A. I am not sure this is even the same 21 format they used to interview the 120 people. 22 Q. Well, let's see. They go by Question 1, 23 Question 2a, which I have reviewed those formats 24 and that's the same format. 25 A. Okay.</p>

<p style="text-align: right;">Page 242</p> <p>1 Q. Okay. And it says here they say that you 2 said, and I have highlighted it, "Recovering from 3 ten years of decapitalization." 4 Is that a true statement? 5 MR. GALBRAITH: Objection, form. 6 A. Yeah, I think that's based on looking at 7 depreciation and capital invested. 8 Q. (BY MR. WILLIAMS) Okay. 9 "Decapitalization" means underfunded, lack of, or 10 what? 11 A. "Decapitalization" is defined as spending 12 less capital than your depreciation. It doesn't 13 mean you are underfunding or overfunding. What 14 decapitalization means is the capital that you are 15 putting into the site is less than your 16 depreciation value. 17 Q. Okay. And is it true that it led to a 18 mindset that things don't get fixed and numbed 19 them, I assume the workforce, that things will 20 never change? 21 A. A site in which does not get funding to 22 the workforce can create a perception that they 23 have become numb to that reaction. 24 Q. And it says here -- and I think you told 25 us before, do you see it says, "In the BP world,</p>	<p style="text-align: right;">Page 244</p> <p>1 around. The last six months seems to have made no 2 difference. The Thursday morning article took a 3 lot of steam out of me. Do right things for 4 78 days. Then the article pissed it away." It 5 says, "Goy" I guess it meant, "Got hate mail, went 6 to changehouse and people wouldn't shake my hand or 7 look at me. I think I have undid about 20 percent 8 of the article. I have never felt such hatred. I 9 walked in the room, and people just parted." 10 Is that a true assessment of what 11 happened? 12 A. Following the article? 13 Q. Yes, sir. 14 A. Yes, sir. 15 Q. Okay. "Union session, all negative, no 16 positive." What was that? 17 A. I did the Safety Reality session. I 18 mean, I felt it -- I treated the union leadership 19 as a true leadership team. So I did it with all my 20 first level leaders. I did the same -- I did the 21 same Safety Reality presentation at the union hall 22 for all of the union leadership. 23 Q. But what do you mean by "all negatives, 24 no positive"? 25 A. They just basically disregarded</p>
<p style="text-align: right;">Page 243</p> <p>1 you don't get more money because you make more 2 money." 3 I think we went over that before. 4 A. I think we covered that. 5 Q. That's true, right? 6 A. I haven't changed my views on that. 7 Q. That's a true statement, right? 8 MR. GALBRAITH: Objection, form. 9 Q. (BY MR. WILLIAMS) That's a true 10 statement? 11 A. That's what I believe. 12 Q. And going on, it says, "How unhappy 13 people are working here. You can't imagine how 14 much hate was shown on the morning of the funeral 15 when the article came out. It was so frustrating 16 that no matter what you do it makes no difference." 17 This is the funeral of the second 18 person that died as a result of this September, 19 '04, heat release, right? Is that what you were 20 referring to here? 21 A. That's referring to Ray Gonzalez, yes, 22 sir. 23 Q. Okay. And in your interview there, I 24 have highlighted it, it says, "I don't know if I 25 have the energy to single-handedly turn the site</p>	<p style="text-align: right;">Page 245</p> <p>1 everything we stated. I mean, one of the issues 2 was -- is they didn't -- if you look at the 3 fatality chart, which was probably a big surprise 4 to me, they only recognized fatalities of their 5 brothers and sisters. 6 Any contractor that had a fatality 7 there, they didn't even recognize or say the 8 numbers. They had much different numbers in their 9 mind, for example. 10 Q. On Question 6b you said, "The last six 11 months, a whole lot less people getting hurt. It 12 went from once a week to once a month. Big step 13 change," true? 14 A. If I looked through one of the indicators 15 we have, that would be what I classify OSHA 16 recordable rates, okay, that one was making -- that 17 one and LWDs were making steps changes downward. 18 Q. Okay. By the way, I want to share with 19 you Patrick Gower's deposition and ask you a 20 question about it? 21 A. Could I get a copy in front of me so I 22 can read it better? 23 Q. This is the only copy I've got. 24 A. You're going to have to re-adjust it a 25 little bit to read that, then.</p>

<p style="text-align: right;">Page 246</p> <p>1 Q. Absolutely. I apologize.</p> <p>2 MR. GALBRAITH: Or maybe you could</p> <p>3 give it to him for just a second and let him read</p> <p>4 it and --</p> <p>5 MR. WILLIAMS: Well, I have to --</p> <p>6 MR. GALBRAITH: -- then you could</p> <p>7 put it back.</p> <p>8 MR. WILLIAMS: -- I have to show</p> <p>9 him where; and if there's a problem, we will fix</p> <p>10 it, Jim.</p> <p>11 Q. (BY MR. WILLIAMS) Okay. Just so you</p> <p>12 know, it's the deposition of Patrick Gower, May 5th</p> <p>13 of this year.</p> <p>14 A. I am assuming this is accurate. So if</p> <p>15 you are willing to say it's --</p> <p>16 Q. Taken by the same lady here to your</p> <p>17 right.</p> <p>18 A. I have no basis to this. Okay. So...</p> <p>19 MR. GALBRAITH: I understand.</p> <p>20 Okay. What page?</p> <p>21 Q. (BY MR. WILLIAMS) Here we --</p> <p>22 MR. WILLIAMS: Now, Jim, pay</p> <p>23 attention. Page 134.</p> <p>24 MR. GALBRAITH: Thank you.</p> <p>25 MR. WILLIAMS: I don't want to</p>	<p style="text-align: right;">Page 248</p> <p>1 BUL of that facility?"</p> <p>2 It says, "Because Don was really</p> <p>3 not in a position to conduct his job. He had been</p> <p>4 emotionally traumatized by this event, and I placed</p> <p>5 him on leave of absence at that time."</p> <p>6 "Question: So you think he just</p> <p>7 wasn't in a good mental state to do his job?"</p> <p>8 Mr. Gower's response is: That</p> <p>9 we -- you know, that was the primary reason. The</p> <p>10 other was to -- reason is just to provide, you</p> <p>11 know, provide some a little bit different</p> <p>12 leadership and a direction to the point (sic) at</p> <p>13 the site of that point.</p> <p>14 A. I'm not sure I understand that statement.</p> <p>15 Q. Well --</p> <p>16 A. Can I read that -- can I read that</p> <p>17 statement again, the little --</p> <p>18 Q. You bet.</p> <p>19 A. Just the words don't make --</p> <p>20 Q. Yeah.</p> <p>21 A. Up to the last statement, if you would,</p> <p>22 slide it up a little bit.</p> <p>23 Q. There you go.</p> <p>24 A. No. A little. You need to go downward.</p> <p>25 Q. There you go.</p>
<p style="text-align: right;">Page 247</p> <p>1 have to spoon feed you all the time.</p> <p>2 MR. GALBRAITH: And you are</p> <p>3 representing that this is page 134 or Pat Gower's</p> <p>4 deposition taken May 5th, in other words, in this</p> <p>5 case?</p> <p>6 MR. WILLIAMS: I'm what?</p> <p>7 MR. GALBRAITH: You are</p> <p>8 representing to all of us --</p> <p>9 MR. WILLIAMS: No. I am telling</p> <p>10 you it's a fact. I am not just representing it.</p> <p>11 It's a fact.</p> <p>12 MR. GALBRAITH: Okay.</p> <p>13 THE WITNESS: Jim, I don't know</p> <p>14 this is the specific -- I am going to rely on you</p> <p>15 that this is actually the deposition. That's my</p> <p>16 only comment to you.</p> <p>17 MR. GALBRAITH: Okay.</p> <p>18 THE WITNESS: Because I just don't</p> <p>19 know.</p> <p>20 A. Go ahead, sir.</p> <p>21 Q. (BY MR. WILLIAMS) Trust me on it.</p> <p>22 Okay. May 5th, a month plus ago,</p> <p>23 Mr. Coon, the good looking man sitting besides me</p> <p>24 here says, "Mr. Gower, why do you -- why did you</p> <p>25 relieve Mr. Parus of his responsibilities as the</p>	<p style="text-align: right;">Page 249</p> <p>1 A. "A little bit different leadership and</p> <p>2 direction to the people at the site at that point."</p> <p>3 Okay. I understand.</p> <p>4 Q. Okay. Now, he is saying, as I interpret</p> <p>5 this, the primary reason was -- that they relieved</p> <p>6 you was you were emotionally traumatized.</p> <p>7 Did Mr. Gower ever tell you that</p> <p>8 he was relieving you because you were emotionally</p> <p>9 traumatized?</p> <p>10 MR. GALBRAITH: Objection, form.</p> <p>11 A. I don't recall a conversation along those</p> <p>12 lines.</p> <p>13 Q. (BY MR. WILLIAMS) Okay. And this is his</p> <p>14 under oath testimony. Were you, in fact,</p> <p>15 emotionally traumatized to the point that you</p> <p>16 couldn't continue to run the plant?</p> <p>17 MR. GALBRAITH: Objection to form.</p> <p>18 A. Sir, I would be less than honest if I</p> <p>19 said it didn't have an emotional impact on me. If</p> <p>20 you -- you had the services up, the funeral</p> <p>21 services, the Memorial service for the whole plant,</p> <p>22 confronting families, walking around with body</p> <p>23 guards for fear, relocating family out of your</p> <p>24 house. I could see how you could draw a</p> <p>25 conclusion.</p>

1 My answer back to you was it was  
 2 not shared. That conversation was not shared.  
 3 Q. (BY MR. WILLIAMS) Okay. You were  
 4 willing and able to go forward running that plant,  
 5 do you think?  
 6 A. I never indicated to Pat that I was not.  
 7 Q. Has any professional ever told you, "Hey,  
 8 you are too emotionally traumatized to run this  
 9 plant and to do your -- fulfill your professional  
 10 responsibilities?"  
 11 A. No, sir.  
 12 Q. Do you -- have you -- when he says there,  
 13 he says, "Because Don was not really in a position  
 14 to conduct his job. He had been emotionally  
 15 traumatized by this event."  
 16 Certainly there was a period of  
 17 time where you were emotionally traumatized, right?  
 18 MR. GALBRAITH: Objection to form.  
 19 Q. (BY MR. WILLIAMS) And then there was a  
 20 period of time where you were, I assume, ready,  
 21 willing and able to take on the job?  
 22 MR. GALBRAITH: Objection, form.  
 23 A. The more time that elapsed between the  
 24 event, the better I was to be able to deal with the  
 25 emotional fall out from the incident.

1 Q. (BY MR. WILLIAMS) And so that we have  
 2 our timing right, they didn't relieve you on  
 3 March 23 or March 24, '05, correct?  
 4 A. That is correct.  
 5 Q. They let you work the entire -- they left  
 6 you in charge of that site as BUL the entirety of  
 7 the month of March, what was remaining?  
 8 A. Yes, sir.  
 9 Q. And then the full 30 days of April?  
 10 A. Yes, sir.  
 11 Q. And then the first two weeks -- or the  
 12 first half of month of May?  
 13 A. Yeah. I think it was either May 11th or  
 14 May 13th. It was a Friday is all I can recall.  
 15 And I'm not sure of the letter and the announcement  
 16 might be aligned but it was a Friday afternoon in  
 17 which I was officially informed I would be put on  
 18 leave.  
 19 So I want to say May 11th. I  
 20 could be off by a day or so.  
 21 Q. Okay. So almost a month and a half?  
 22 A. Six to eight weeks.  
 23 Q. Six to eight weeks after the fire and  
 24 explosion, they left you in charge of this plant as  
 25 BUL, correct, business unit leader?

1 A. Yes, sir.  
 2 Q. Had -- had something happened around mid  
 3 May when they removed you from that responsibility?  
 4 Had something happened differently then that would  
 5 lead them, anybody to believe you were at that  
 6 point emotionally traumatized and unable to do your  
 7 work?  
 8 A. Not through my eyes.  
 9 Q. Had there been any conversations leading  
 10 up to them where they said, "How are you doing?  
 11 Can you still do this job, or maybe you ought to  
 12 get a psychological profile before we put you back  
 13 in charge," or anything of that nature or did they  
 14 just let you work your rear end off?  
 15 MR. GALBRAITH: Objection, form.  
 16 A. There was no dialogue along the lines you  
 17 referenced. I received a heads up phone call a few  
 18 days from Mike Hoffman prior to the leave of  
 19 absence informing what was going to take place.  
 20 Q. (BY MR. WILLIAMS) And what was his  
 21 explanation as to why?  
 22 A. He just said, "Don, you are going to be  
 23 placed on leave. Sometimes things are not always  
 24 fair."  
 25 I didn't pursue it any further.

1 Q. He said, "Sometimes things are not always  
 2 fair"?  
 3 A. Yes, sir.  
 4 Q. Well, my question is: Why did -- if --  
 5 were you more emotionally traumatized in mid May or  
 6 the end of March?  
 7 MR. GALBRAITH: Objection, form.  
 8 A. From my judgment, sir, I was more  
 9 emotionally traumatized as we got closer to the  
 10 event. The funerals, you know, not that you ever  
 11 forget this, but the funerals had been completed.  
 12 The services had been completed. We were then in  
 13 the midst of investigation and recovery.  
 14 I would say my emotional state  
 15 improved with time, but I don't imply that it's  
 16 ever going to be the same.  
 17 Q. (BY MR. WILLIAMS) Right --  
 18 The point is: Your emotional  
 19 state after the shock of the fire and explosion, it  
 20 improved over time. Is that what --  
 21 A. -- from my -- you said --  
 22 Q. -- you said?  
 23 A. From my perspective, sir, yes.  
 24 Q. Right.  
 25 So my question is: Is this -- I



<p style="text-align: right;">Page 254</p> <p>1 didn't make sense of this why you would be relieved  2 if it was truly for emotional -- being emotionally  3 traumatized, why they wouldn't relieve you  4 March 23rd or 24th, why they would say that -- why  5 they would do it in mid May?  6 A. I don't know, sir.  7 MR. GALBRAITH: Objection, form.  8 A. I mean, the first point is Pat never  9 shared that with me. So I couldn't pursue the  10 question longer. And, two, I don't know what Pat  11 and others were thinking. That also was not shared  12 with me.  13 Q. (BY MR. WILLIAMS) Were these people that  14 you considered not only colleagues but friends?  15 A. Pat and I worked together in the past. I  16 don't know what I -- I would probably use the word  17 "colleague." I probably wouldn't go into the  18 piece -- use him as a "friend."  19 But we were colleagues. We both  20 came through the Amoco ranks, had worked together  21 before.  22 Q. Tell me, if you would, when the merger  23 occurred between BP and Amoco, did you see a change  24 of philosophy, management philosophy or safety  25 philosophy?</p>	<p style="text-align: right;">Page 256</p> <p>1 to? I mean, I received several letters. Can I ask  2 just ask which one you are referring to?  3 Q. Let's walk through it just real quick.  4 (Discussion off the record.)  5 Q. (BY MR. WILLIAMS) I am talking now --  6 let's talk about the May 13th, '05, and that's --  7 A. Let me catch up to you.  8 Q. Sure. It's Exhibit 326.  9 A. I am on the same page you are now.  10 Q. Sure. From Pat Gower.  11 A. Do you know -- just to clear -- do you  12 know what day of the week May 13th is?  13 Q. I am sorry. I don't recall last year.  14 And it says here something about  15 your duties would be to assist with the transition,  16 et cetera, and the investigations and other related  17 matters including related regulatory and legal  18 claims. And we've established you never were asked  19 to do that, right?  20 MR. GALBRAITH: Objection, form.  21 A. I think we established that earlier  22 today.  23 Q. (BY MR. WILLIAMS) And May 16th, the next  24 day, which is Exhibit 328, another --  25 A. Just a minor point, three days later.</p>
<p style="text-align: right;">Page 255</p> <p>1 MR. GALBRAITH: Objection, form.  2 A. You asked me a couple of questions there.  3 I want to take them one at a time. All right?  4 Q. (BY MR. WILLIAMS) Please.  5 A. And not so much during the merger. I  6 mean, it's -- it's -- I think it evolved. I have  7 spent 20 plus years at Amoco who had a set of  8 principles and philosophies. I think BP was just  9 different.  10 People have asked me on that, and  11 I say BP was pretty much performance oriented.  12 Amoco was probably more people oriented is the way  13 I would describe the difference in philosophy. But  14 I think post the merger, neither one of them  15 existed. It was a blend.  16 Q. It was a what?  17 A. A blend.  18 Q. Okay. In the letter -- in the letters  19 that you have received...  20 (Discussion off the record.)  21 Q. (BY MR. WILLIAMS) In the letters that  22 you have received about -- from -- that you were to  23 assist in the investigation and related legal  24 claims --  25 A. Can I ask which letter you are referring</p>	<p style="text-align: right;">Page 257</p> <p>1 Q. Oh, thank you. Three days later.  2 Another letter, this time being  3 from Simon Drysdale, I believe, the western  4 hemisphere HR, it says something about, "We  5 recommend that you maintain a professional" --  6 A. Where are you at, sir, to make sure I  7 catch up with you? Okay?  8 Q. See --  9 A. Are you putting those words up?  10 Q. Yeah.  11 A. And by Number 1 --  12 Q. Do you see where it says, "Regarding  13 other professional opportunities" is highlighted --  14 A. Yes, sir. Go ahead.  15 Q. "Regarding other professional  16 opportunities while on administrative leave status.  17 It is recommended that you maintain an unrestricted  18 professional diary in order to primarily and fully  19 support the needs of the ongoing investigation in  20 Texas City."  21 Was that ever done?  22 A. It was communicated to me but never  23 enacted.  24 Q. Okay. Nobody ever explained to you other  25 than this one letter what the heck that meant?</p>

<p style="text-align: right;">Page 258</p> <p>1 A. I mean, this -- this substantiates what 2 they told me when they placed me on leave, that it 3 would be difficult for me to work in a full-time 4 job and assist in the investigation; therefore, 5 they wanted me completely available for the 6 investigation. And that's just what was shared 7 with me. 8 Q. Okay. 9 A. This substantiates it. This puts it in 10 writing, shall I say. 11 Q. And then they never asked you to 12 participate in the investigation, right? 13 MR. GALBRAITH: Objection, form. 14 A. Not that I recall. 15 Q. (BY MR. WILLIAMS) Okay. Do you feel 16 like maybe they've kind of, perhaps, misled you? 17 MR. GALBRAITH: Objection, form. 18 A. I am not sure what they're thinking. I 19 think I stated to you earlier I am not very happy 20 with the treatment from the point of May 13th 21 forward. 22 Q. (BY MR. WILLIAMS) Are you familiar with 23 the Grangemouth -- 24 A. Are we done with... 25 Q. Yes, sir.</p>	<p style="text-align: right;">Page 260</p> <p>1 papers. Okay? 2 So, I mean, I did not see an 3 incident report on it. My understanding is it had 4 an impact on the community. That's why it was 5 pretty much publicized in the local papers. 6 Q. (BY MR. WILLIAMS) My point is that -- I 7 am trying to get at: What lessons did BP 8 communicate to its leadership team while you were 9 in London or elsewhere as to what lessons were 10 learned from the Grangemouth incident? 11 MR. GALBRAITH: Objection, form. 12 A. The role I was in, the lessons did not 13 get communicated to me while I was in that role. 14 Q. (BY MR. WILLIAMS) Okay. What about 15 Longford? Do you know what the Longford incident 16 is? 17 A. The Longford was played and used during 18 the two-day Telos Report back to the site. 19 Geoffrey used the lessons from Longford, along with 20 several other incidents, to, again, make his point 21 on the study. 22 So lessons of Longford I became 23 aware of it during that report back mid to late 24 January of '05. 25 Q. And what were the lessons of Longford?</p>
<p style="text-align: right;">Page 259</p> <p>1 A. Okay. 2 Q. Are you familiar with the Grangemouth 3 incident at BP? 4 A. Living in London when the incidents 5 occurred, I mean, it was pretty much in the press. 6 And, basically, not being in the refinery, I got my 7 fill through reading the press. 8 Q. And what was the Grangemouth incident? 9 A. Back in -- I want to put it in the '99, 10 2001 window, potentially. It was around a -- I 11 want to say a steam leak, a fire. There might be a 12 third one in there. 13 I kind of remember three; but what 14 exactly the three were, I remember a large steam 15 leak that kind of impacted a neighborhood, a fire. 16 Memory says there was a third one, but I can't put 17 my finger on it. 18 Q. Grangemouth was a BP plant, correct, 19 located in England or Scotland? 20 A. Located in Scotland. 21 Q. Right. 22 And it had an incident that was 23 potentially catastrophic to the community, right? 24 MR. GALBRAITH: Objection, form. 25 A. I am portraying what I read in the</p>	<p style="text-align: right;">Page 261</p> <p>1 A. I remember watching the video. I am not 2 sure, sir, I could articulate the lessons to you 3 right off from that because, again, it wasn't 4 something I saw on a slide or whether it was kind 5 of the video playing, that I remember, the 6 incident, the response, catastrophic. But at this 7 stage, I just can't articulate the lessons. 8 Q. Can you agree with me, sir, as a chemical 9 engineer that one of the times of the highest level 10 of risk for fire and explosion occurs when a unit 11 is being brought on line as the ISOM unit was on 12 March 23, 2005? 13 MR. GALBRAITH: Objection, form. 14 A. The way I would characterize it is I 15 think there's increased risk on both as the unit 16 comes on line as well as when a unit comes off 17 line. 18 Q. (BY MR. WILLIAMS) Sure. 19 A. I wouldn't limit it to just startup. 20 Q. Okay. Startup or shutdown are the times 21 when there is the highest level of risk for fire 22 and explosion on a unit? 23 A. There's a -- 24 MR. GALBRAITH: Objection, form. 25 A. There's an increased risk is the way I</p>

<p style="text-align: right;">Page 262</p> <p>1 would characterize it.</p> <p>2 Q. (BY MR. WILLIAMS) Okay. Can you think</p> <p>3 of any other times that there would be a higher</p> <p>4 level of risk?</p> <p>5 A. A major upset.</p> <p>6 Q. Okay. Is it a true statement that</p> <p>7 management should be proactive rather than reactive</p> <p>8 with regard to process safety management?</p> <p>9 MR. GALBRAITH: Objection, form.</p> <p>10 A. I would state that management needs to be</p> <p>11 both proactive and reactive. Proactive keeps you</p> <p>12 ahead. Reactive means you learn from what</p> <p>13 happened. So I wouldn't -- I wouldn't -- I don't</p> <p>14 like to distinguish between the two. I think you</p> <p>15 need the balance of both.</p> <p>16 Q. (BY MR. WILLIAMS) Why was there -- why</p> <p>17 was a blowdown stack being used in the ISOM unit</p> <p>18 rather than an inherently safer design --</p> <p>19 MR. GALBRAITH: Objection --</p> <p>20 Q. (BY MR. WILLIAMS) -- such as tying in to</p> <p>21 the flare system of the plant?</p> <p>22 A. I don't know, sir.</p> <p>23 Q. To tie -- would that be -- to tie -- to</p> <p>24 spend the extra money to tie the ISOM unit in to</p> <p>25 the flare system rather than using the blowdown</p>	<p style="text-align: right;">Page 264</p> <p>1 Q. Where I am going with this is: You were</p> <p>2 asked to cut the capital expenditures of the plant</p> <p>3 in the year '05 by 16 percent or more, right?</p> <p>4 A. I believe we --</p> <p>5 MR. GALBRAITH: Objection, form.</p> <p>6 A. -- agreed on 16 percent.</p> <p>7 Q. (BY MR. WILLIAMS) Okay. And would tying</p> <p>8 in to -- eliminating the blowdown drum and tying in</p> <p>9 to the flare system, would that come under the</p> <p>10 category of a capital expenditure?</p> <p>11 A. It's possible.</p> <p>12 Q. It's probable, isn't it?</p> <p>13 MR. GALBRAITH: Objection, form.</p> <p>14 A. I am still in the possible state, sir. I</p> <p>15 mean, I just don't know that answer because I don't</p> <p>16 know what's required to tie it in. It could be</p> <p>17 expense.</p> <p>18 Q. (BY MR. WILLIAMS) If it wasn't a capital</p> <p>19 expenditure, what would be it classified as?</p> <p>20 A. Capital or expense. There's two</p> <p>21 different -- two different budgets.</p> <p>22 Q. Okay.</p> <p>23 A. Capital's appropriated and depreciated</p> <p>24 over many years. Capital -- or expense is expensed</p> <p>25 all done in the same years. There's two different</p>
<p style="text-align: right;">Page 263</p> <p>1 drum, would that be a capital expenditure?</p> <p>2 MR. GALBRAITH: Objection, form.</p> <p>3 A. Yes, sir. I believe it would be. I</p> <p>4 would have to check the tax logs and the financial</p> <p>5 logs. But I think, to the best of my knowledge, it</p> <p>6 would be.</p> <p>7 Q. (BY MR. WILLIAMS) In your understanding</p> <p>8 of, as the BUL of the plant, if you were -- if</p> <p>9 somebody said, "Hey, we need to tie in to the flare</p> <p>10 system of the plant and eliminate this blowdown</p> <p>11 drum," you would classify that as a capital</p> <p>12 expenditure?</p> <p>13 A. I would ask my commercial group, and they</p> <p>14 would be able to help me classified it. But in</p> <p>15 response to your question, I think it would be</p> <p>16 classified as capital; but I rely on them for the</p> <p>17 exact classification.</p> <p>18 Q. I am not asking it for --</p> <p>19 A. Because it is --</p> <p>20 Q. -- tax --</p> <p>21 A. No. I mean, for example, if it's just a</p> <p>22 piping change, it may not be capital.</p> <p>23 Okay. It depends. There's</p> <p>24 unclear rules around that. I just don't want to</p> <p>25 get caught into whether it's absolute or not.</p>	<p style="text-align: right;">Page 265</p> <p>1 ways of accounting.</p> <p>2 I'm not -- I'm just trying to be</p> <p>3 clear on it. It could be either one of those</p> <p>4 depending on what the project entitled.</p> <p>5 Q. You gave a series of PowerPoint</p> <p>6 presentations called a Safety Realty, right?</p> <p>7 A. Yes, sir. This is to the first level</p> <p>8 leaders over a series of several -- between seven</p> <p>9 to ten sessions over a couple of months.</p> <p>10 (Exhibit Number 501 marked for</p> <p>11 identification.)</p> <p>12 Q. (BY MR. WILLIAMS) Okay. I'm going to</p> <p>13 show you Exhibit 501, which is -- which is called a</p> <p>14 Safety Realty, Texas City BU. I am going to give</p> <p>15 you the copy and use mine, if I can.</p> <p>16 A. Okay.</p> <p>17 Q. Is that the Safety Realty PowerPoint</p> <p>18 that you authored?</p> <p>19 A. Incomplete. It's very incomplete.</p> <p>20 Q. Oh, it is?</p> <p>21 A. Yes, sir.</p> <p>22 MR. WILLIAMS: Galbraith, where is</p> <p>23 the rest of it?</p> <p>24 A. I showed -- I mean, first of all, I</p> <p>25 showed pictures of each of the 22 people that had</p>

<p style="text-align: right;">Page 266</p> <p>1 died, pictures, summaries, cause, et cetera, one at 2 a time all the way through this. I don't see that 3 in this package, sir. 4 Q. (BY MR. WILLIAMS) I don't either and 5 so -- 6 A. I also showed three videos in this 7 session. 8 Q. Okay. What were the three videos? 9 A. I am working on it. 10 One of them was a PEMEX -- PEMEX 11 explosion. One was the Phillips explosion. One 12 was the Ultraformer 4 fire, I believe, is the three 13 videos. 14 THE VIDEOGRAPHER: John Eddie, I 15 need to change the tape now. 16 MR. GALBRAITH: Time to take a 17 break? 18 MR. WILLIAMS: Sure. 19 (Recess taken from 4:11 p.m. to 20 4:28 p.m.) 21 MR. GALBRAITH: I have had an 22 indication we have completed five hours of Don 23 Parus' deposition. We are here to go the last hour 24 provided by the Court. The plaintiffs said they 25 have about two or three hours more, which would</p>	<p style="text-align: right;">Page 268</p> <p>1 MR. COON: We can't finish today. 2 Why not reconvene in the morning? 3 MR. GALBRAITH: No. Tomorrow is 4 not an option for more reasons than one. I can't 5 be here tomorrow. 6 MR. WILLIAMS: Well, you are not 7 important. 8 MR. GALBRAITH: If you tell me you 9 are confident we can't finish today, then -- 10 MR. WILLIAMS: We can confidently 11 tell you. We are confident of that. 12 MR. COON: Not if you have to quit 13 at six hours. 14 MR. GALBRAITH: We do. 15 MR. COON: So, then, the question 16 is: When can you reconvene? 17 MR. GALBRAITH: I don't know that. 18 We will get that to you, but do y'all want to go 19 for another hour now? 20 MR. COON: If we can't reconvene 21 tomorrow, let's go the length today if we can, if 22 that's okay with everyone. 23 MR. GALBRAITH: Okay. 24 THE VIDEOGRAPHER: On the record 25 at 4:31 p.m., beginning Tape 6.</p>
<p style="text-align: right;">Page 267</p> <p>1 require us to go late today or a second day. My 2 consideration to you is I think that if -- well, I 3 just want to know: What's your preference? Would 4 you rather go -- we can't go past six hours today. 5 So would you like to go that last hour now and 6 finish it, or would you like to do something else? 7 MR. COON: I would say we go ahead 8 and go -- if everybody can't go today, if we can 9 reconvene tomorrow since we canceled the 10 deposition -- 11 MR. WILLIAMS: Which we cannot. I 12 can't. 13 MR. COON: So he can testify while 14 it's fresh on his mind. 15 MR. GALBRAITH: So you want to 16 take your six hours now? Is that the decision? 17 MR. COON: It doesn't matter to 18 me. 19 MR. WILLIAMS: I am going to be 20 five minutes, and then it's really Brent's 21 deposition. And Mr. Parus, if you are -- if 22 Mr. Parus feels at the end of that he would -- 23 because we are going to have to do a second day; 24 but if he feels that he's tired or doesn't want 25 to -- let's let him decide really.</p>	<p style="text-align: right;">Page 269</p> <p>1 Q. (BY MR. WILLIAMS) We were talking about 2 the presentations that you made called the Safety 3 Reality, and I think at the break we got a better 4 copy. 5 And for the jury, we are looking 6 at Exhibit 379. And this apparently was given at 7 an all supervision away day; and then if we go over 8 a couple of pages, it's the Safety Reality. 9 And does that appear, then, to be 10 the PowerPoint that you would use that you authored 11 and would use? 12 A. I am assuming these blank pages were the 13 videos. Okay. That's how they are going to show 14 up on the diagram. The two blank pages were the 15 two videos referenced, one being the PEMEX, a PEMEX 16 fire and explosion and the other being a Phillips 17 fire and explosion. 18 MR. WILLIAMS: Thank you, ma'am. 19 Thank you. That's the way I feel about you, too. 20 A. This is where I conclude the 21 presentation. This might be from the break out 22 rooms, the data used in the break out rooms by the 23 supervisors and MDLs. 24 Okay. This is how I -- I am now 25 finishing the presentation. I am not recalling</p>

<p style="text-align: right;">Page 270</p> <p>1 what all these series of blank pages are.  2 Q. (BY MR. WILLIAMS) All right. What's the  3 last -- there should be what's called a --  4 A. In 2005 is what I remember it ending at.  5 Q. Okay. It should be --  6 A. There were some break out sessions after  7 that, so I am not sure what was designed and I did  8 not lead what was led by the leadership team.  9 Q. Right.  10 Mr. Parus, there should be a  11 BPISOM stamp number at the bottom of that so we  12 will know where your presentation concluded. Do  13 you see it at the bottom? Is there one or...  14 A. (Shakes head.)  15 MR. GALBRAITH: There is not.  16 Q. (BY MR. WILLIAMS) There's not.  17 MR. GALBRAITH: No.  18 A. I don't see one, sir.  19 Q. (BY MR. WILLIAMS) What -- is there a  20 page number at the bottom where --  21 A. I am on page 69 is where I am at.  22 Q. Okay.  23 A. Okay. And then there was break out  24 sessions to get more smaller groups together, get  25 input, et cetera; and that's what I would think</p>	<p style="text-align: right;">Page 272</p> <p>1 presentation to the union leadership.  2 Q. And it included how many films? I wrote  3 down PEMEX and Phillips.  4 A. Three videos were played to start it off.  5 PEMEX, I believe, was first. The Phillips  6 explosion in this area was shown. I thought there  7 was a third one.  8 I just would have to go back and  9 look at notes. It thought there were three videos  10 shown.  11 Q. Okay.  12 A. Those are the two that I vividly  13 remember.  14 Q. Which Phillips explosion? The --  15 A. The major one here off of 225.  16 Q. Well, Steve and I have dealt with --  17 MR. WILLIAMS: You weren't around  18 in '89? Were you around in '89?  19 MR. FERNELIUS: I guess.  20 Q. (BY MR. WILLIAMS) '89, 2000 -- 1999 and  21 2000. Pick any of those three. Those were all  22 major ones.  23 Do you know which one of the  24 three?  25 A. No, sir, I just don't recall it.</p>
<p style="text-align: right;">Page 271</p> <p>1 this is referring to. Even though I don't know  2 what the blanks are.  3 I just don't --  4 Q. I don't know?  5 A. -- recall that.  6 And I think this would be one that  7 I kind of worked through at the talk, at the  8 presentation.  9 Q. Help me real quick. What was that  10 exhibit number on that, please, sir?  11 A. The front?  12 Q. The very first page, yes, sir.  13 MR. GALBRAITH: You said 379.  14 A. This will be the easiest way for you to  15 read it.  16 Q. (BY MR. WILLIAMS) Yeah, thank you.  17 A. Okay.  18 Q. Okay. Exhibit 379, up to and including  19 page 69, was the PowerPoint presentation that you  20 authored and gave to people around the plant, true?  21 A. Yes, sir.  22 Q. How many times did you give that?  23 A. Eight to ten to the first level leaders.  24 I mean, it could be a little more, a little less.  25 I don't know. And then, of course, the same</p>	<p style="text-align: right;">Page 273</p> <p>1 Q. '89 was the one that killed 23 people.  2 A. I believe that was the one used in the  3 film.  4 Q. Gotcha.  5 And -- okay. Well, we will get  6 Mr. Galbraith to produce those.  7 A. These slides now, as I am starting to  8 recall it, there was a speaker from DuPont in. A  9 retired safety guy from DuPont came in and gave his  10 presentation from a DuPont perspective. That is  11 what I recall now.  12 He followed me. That's what these  13 slides were. This was -- I didn't go through this  14 whole packet at once.  15 Q. Right.  16 A. Just to break the day up, we covered  17 safety pretty much through three quarters of the  18 day. Included in that was a presentation from  19 DuPont.  20 Q. Okay.  21 A. I would be hard pressed to quote you a  22 name, but it was an outside speaker talking about  23 the safety philosophy at DuPont.  24 Q. Is it true, sir, that as close as a week  25 before the March 23 fire and explosion, there</p>

<p style="text-align: right;">Page 274</p> <p>1 existed a concern about what's been called a 2 conflict between production and safety? 3 MR. GALBRAITH: Objection, form. 4 A. I am not sure I know how to respond to 5 it. I mean, it's a very broad statement. I mean, 6 can you tell me more? 7 Q. (BY MR. WILLIAMS) Yeah. 8 Did -- is there a conflict between 9 production and safety? 10 A. Not in my mind. 11 Q. Well, let me show you. We have looked at 12 this before. This is Exhibit 495, and you should 13 have it in that stack there. 14 Just so that you'll know, it's 15 from you March 17th, '05. 16 A. Can I see that, please? Which stack is 17 it in? 18 Q. It should be in that stack there. It's 19 Exhibit 495. I will wait until you find it. 20 A. What's the date on it, sir? 21 Q. March 17th. 22 A. 18th. 23 Q. That should be it right there. 24 A. It says the 18th. Okay. 25 Q. Okay.</p>	<p style="text-align: right;">Page 276</p> <p>1 Q. And people weren't ranked -- didn't show 2 up until Number 9, right? 3 A. That's what the data represented. 4 Q. Okay. And so you referred in your 5 letter -- I am going to go back to Exhibit 495, the 6 week before -- less than a week before the fire, 7 you referred to the fact that there was "a 8 continuing concern about the conflict between 9 production and safety." 10 What does -- what is the conflict 11 between production and safety? 12 MR. GALBRAITH: Objection, form. 13 A. In my mind, when I drafted the letter, it 14 was from the Telos Report ranking production over 15 safety. 16 Q. (BY MR. WILLIAMS) Okay. The last 17 subject, history of blowdown drums. 18 Do you know why a blowdown drum 19 was used at the ISOM unit rather than tying in to 20 the flare system? 21 A. No, sir. I don't have much history on 22 that. 23 Q. Do you have much history on the use of 24 blowdown drums? 25 A. I may have had blowdowns on units I have</p>
<p style="text-align: right;">Page 275</p> <p>1 A. Okay. Your question? 2 Q. Okay. So March 17th, some less than a 3 week before this fire and explosion, you sent out 4 an e-mail in which you reference that the brutal 5 facts and it says, "Including the continuing 6 concern," do you see where I've got the arrow 7 there? 8 A. Yes, sir. 9 Q. "Including the continuing concern around 10 the conflict between production and safety." 11 Do you see that? 12 A. Yes, sir. 13 Q. Now, what is the conflict between 14 production and safety? 15 A. Now, I am kind of using -- this is 16 following the sessions with the consultant. I am 17 using the terminology from that that there was a 18 perceived priority of production over safety. 19 Q. And, in fact, if we look back at 20 Exhibit 386, the consultant you are talking about 21 is the Telos report. And if we look at how people 22 ranked things at your plant back then, they ranked 23 making money Number 1, cost/budget Number 2 and 24 production Number 3, right? 25 A. That was the ranking.</p>	<p style="text-align: right;">Page 277</p> <p>1 operated in the past at different facilities as 2 well. 3 Q. Okay. What facilities have had blowdown 4 drums? 5 A. The CAT crackers at Whiting, for example, 6 Whiting refinery in Indiana. 7 Q. Anywhere else? 8 A. I can't recall if there was at Yorktown 9 or not. I don't know. 10 Q. Okay. What year was it that you recall 11 there being blowdown drums on the CAT cracker at 12 Whiting, at the plant at Whiting? 13 A. Mid to late '80s. 14 Q. Do you know why the -- on the two 15 opportunities outlined in the final report, the 16 inherently safer design, meaning tying in to the 17 flare system, was not chosen? 18 MR. GALBRAITH: Objection, form. 19 A. No, sir. 20 Q. (BY MR. WILLIAMS) Do you know why the 21 Clean Streams project was killed? 22 MR. GALBRAITH: Objection, form. 23 A. The entire Clean Streams project, sir? 24 Q. (BY MR. WILLIAMS) Yes, sir. 25 A. No, sir.</p>

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1 MR. WILLIAMS: I'm going to let  
 2 Mr. Coon ask you some questions, sir. Thank you.  
 3 MR. COON: Can we go off the  
 4 record for about two minutes to get set up.  
 5 THE VIDEOGRAPHER: Off the record  
 6 at 4:42 p.m.  
 7 (Recess taken.)  
 8 THE VIDEOGRAPHER: On the record  
 9 at 4:45 p.m.  
 10 (Discussion off the record.)  
 11 \* \* \*  
 12 EXAMINATION  
 13 Q. (BY MR. COON) Are you ready to continue,  
 14 sir?  
 15 A. Yes, sir.  
 16 Q. Good afternoon, Mr. Parus. My name is  
 17 Brent Coon. I had an opportunity to introduce  
 18 myself to you very briefly before the deposition  
 19 commenced today, but I think it's the first time  
 20 that we've met, isn't it?  
 21 A. Yes, sir.  
 22 Q. You've answered a lot of questions today,  
 23 and I'm going to go back and fill in some of the  
 24 gaps in some areas and ask you some additional  
 25 questions. It's my understanding you don't have a

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1 lot of time today. So we are probably going to  
 2 reconvene at some mutually convenient date in the  
 3 near future to finish the deposition. Okay?  
 4 A. I understand.  
 5 (Exhibit Number 502 marked for  
 6 identification.)  
 7 Q. (BY MR. COON) I have presented to you  
 8 the next sequential document -- I'll -- what's the  
 9 exhibit number? 5 -- it's on the bottom.  
 10 A. This one here, sir?  
 11 Q. Yep.  
 12 A. 502.  
 13 Q. 502. And that is the deposition notice  
 14 and subpoena duces tecum for you to appear here  
 15 today at Fulbright's offices and also to produce to  
 16 the plaintiffs in this case documents that are  
 17 relevant to this litigation.  
 18 Have you had an opportunity to  
 19 look at that deposition request and subpoena  
 20 before?  
 21 A. Yes, sir.  
 22 Q. Have you made an effort in response to  
 23 that subpoena to gather the materials requested and  
 24 provide them to counsel here today?  
 25 A. If requested, yes, sir.

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1 Q. And in that regard what efforts have you  
 2 made, if any, to help procure the information  
 3 requested in that subpoena, the documents that were  
 4 actually requested for you to provide and produce?  
 5 A. I met with Jim on a record retention  
 6 piece and shared the information that I had.  
 7 Q. And what was that, sir?  
 8 THE WITNESS: I'm at a loss, Jim,  
 9 for going back -- this is going back 16 --  
 10 MR. GALBRAITH: Okay.  
 11 THE WITNESS: -- 15, 16 months  
 12 ago.  
 13 MR. GALBRAITH: Then just ask him  
 14 what specifically he's asking about.  
 15 A. I'm not sure I understand your --  
 16 Q. (BY MR. COON) Okay.  
 17 A. -- line of questioning.  
 18 MR. GALBRAITH: Ask him what he's  
 19 talking about.  
 20 Q. (BY MR. COON) This document you have in  
 21 front of you, Exhibit 502, requesting you to  
 22 produce certain documents for us today. And in  
 23 that regard, my question first of you is: Have you  
 24 had an opportunity to read that to understand what  
 25 it was you were to bring?

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1 MR. GALBRAITH: Or produce prior  
 2 to today.  
 3 A. Or produce prior.  
 4 Q. (BY MR. COON) Or produce to the  
 5 attorneys --  
 6 A. Yes, sir.  
 7 Q. And in that regard in looking at it, what  
 8 did you respond with? When you met with the  
 9 lawyers in response to the --  
 10 MR. GALBRAITH: You are not asking  
 11 about specific pages or documents or what are  
 12 you -- I mean, I think that's his problem.  
 13 A. I am not sure I understand your -- I  
 14 just --  
 15 Q. (BY MR. COON) I am asking if you have  
 16 produced anything, assisted the lawyers in  
 17 producing anything in preparation for your lawyer  
 18 today?  
 19 A. No, sir.  
 20 Q. Okay. Have you seen the request that we  
 21 submitted to the attorneys to produce certain  
 22 documents relevant to these proceedings?  
 23 A. On this document, yes, sir.  
 24 Q. You have seen it before today?  
 25 A. Yes, sir.

<p style="text-align: right;">Page 282</p> <p>1 Q. Did you have an opportunity --</p> <p>2 A. The date was different. I have seen the</p> <p>3 original one. Okay. This has been rescheduled --</p> <p>4 MR. GALBRAITH: Three times.</p> <p>5 A. -- several times. So when I saw this</p> <p>6 before, it had a May date on it.</p> <p>7 Q. (BY MR. COON) Okay.</p> <p>8 A. Okay.</p> <p>9 Q. Have you had an opportunity to read what</p> <p>10 was requested of you to help round up and procure</p> <p>11 and deliver to attorneys to produce to the</p> <p>12 plaintiffs?</p> <p>13 A. If asked, I produced it. I produced what</p> <p>14 was asked.</p> <p>15 Q. Okay. In that regard, what have you</p> <p>16 produced?</p> <p>17 A. I have not been -- I have not been asked</p> <p>18 to produce anything.</p> <p>19 MR. GALBRAITH: Not today. He</p> <p>20 said today in his question but --</p> <p>21 Q. (BY MR. COON) Let's back up.</p> <p>22 When, if ever, have you produced</p> <p>23 anything to the attorneys responsive to this</p> <p>24 litigation?</p> <p>25 MR. GALBRAITH: That's -- are you</p>	<p style="text-align: right;">Page 284</p> <p>1 have not made an effort to produce anything</p> <p>2 directly responsive to this subpoena duces tecum?</p> <p>3 A. That's not how I worded it. My answer</p> <p>4 was I was not asked to produce anything. If</p> <p>5 asked --</p> <p>6 Q. So --</p> <p>7 A. If asked, I'd make the effort.</p> <p>8 Q. Well, we asked you, sir, through your</p> <p>9 lawyers. That's what that document is in front of</p> <p>10 you.</p> <p>11 So we asked your attorneys. Now,</p> <p>12 maybe your attorneys did not ask you. But the</p> <p>13 question I have of you is: In response to us</p> <p>14 asking your lawyers for you to do it, have you done</p> <p>15 it?</p> <p>16 A. I have not been asked.</p> <p>17 Q. So is the answer --</p> <p>18 MR. GALBRAITH: Before this</p> <p>19 subpoena --</p> <p>20 MR. COON: I am not trying to go</p> <p>21 round and round but if the answer is a simple no --</p> <p>22 MR. GALBRAITH: I know that. He</p> <p>23 said he met with me on record retention and shared</p> <p>24 documents he had before the subpoena ever came. I</p> <p>25 mean, that's the record here already.</p>
<p style="text-align: right;">Page 283</p> <p>1 asking -- do you want him to -- I don't know what</p> <p>2 you are asking him, I guess.</p> <p>3 You are saying when has he</p> <p>4 produced anything?</p> <p>5 MR. COON: I am just asking if he</p> <p>6 read the subpoena duces tecum and made a concerted</p> <p>7 effort to respond to it by helping the attorneys</p> <p>8 facilitate the identification of those documents</p> <p>9 and make them available to plaintiffs and if he</p> <p>10 hasn't, he can say so.</p> <p>11 MR. GALBRAITH: Well, he said</p> <p>12 that. He's already said he produced what was asked</p> <p>13 for and so I can't --</p> <p>14 MR. COON: I am saying --</p> <p>15 MR. GALBRAITH: I mean --</p> <p>16 MR. COON: In that regard, I am</p> <p>17 just asking what he has produced responsive to the</p> <p>18 subpoena duces tecum.</p> <p>19 MR. GALBRAITH: If you know what</p> <p>20 you produced.</p> <p>21 A. I mean, I was not asked to produce</p> <p>22 anything specifically. And, therefore, I can't</p> <p>23 answer that.</p> <p>24 MR. GALBRAITH: Okay.</p> <p>25 Q. (BY MR. COON) Okay. Is your answer you</p>	<p style="text-align: right;">Page 285</p> <p>1 We -- I will represent to you we</p> <p>2 imagined his hard drive, for example, and put that</p> <p>3 into the database that you have responsive</p> <p>4 documents for.</p> <p>5 MR. COON: I understand.</p> <p>6 A. That was all done previous the deposition</p> <p>7 notice.</p> <p>8 Q. (BY MR. COON) And I don't want to</p> <p>9 digress and bog down the deposition, sir. I just</p> <p>10 want to know if you read the duces tecum and</p> <p>11 understood what had been requested and either</p> <p>12 confirmed and then produced it sometime in the past</p> <p>13 or that you made an effort to produce it before</p> <p>14 your deposition today?</p> <p>15 A. I have produced documents in the past.</p> <p>16 Q. Okay. Let's go next.</p> <p>17 What have you reviewed before your</p> <p>18 deposition today to help refresh your memory and</p> <p>19 prepare you for your testimony?</p> <p>20 A. I have reviewed this. Okay? We talked</p> <p>21 about that.</p> <p>22 Q. Anything else?</p> <p>23 A. I reviewed -- re-reviewed some sections</p> <p>24 of the incident report.</p> <p>25 Q. In the fatal report?</p>



<p style="text-align: right;">Page 286</p> <p>1 A. It's the John Mogford report I referred 2 to. 3 Q. The final report? 4 A. Yes, sir, the one issued on December 9th. 5 Q. Anything else? 6 A. No, sir. 7 Q. Did you read the statement that you gave 8 in this case to Mr. Holt back on April 28th, 2005? 9 A. No, sir. 10 Q. Did you read your interviewee notes that 11 were provided to the Telos Group back in the fall 12 of 2004? 13 A. I never had a copy, as I told you. 14 Q. Have you ever -- 15 A. That was a verbal -- those interview 16 notes back to me were verbally communicated. I 17 never received a paper copy of the interview notes. 18 Q. Until today, you had never seen the notes 19 that were taken in that matter? 20 A. No, sir. I was refreshed that I even 21 gave an interview. So, no, sir, I have not seen 22 the notes. 23 Q. Okay. Reviewed anything else? 24 A. No, sir. 25 Q. Have you been provided summaries of</p>	<p style="text-align: right;">Page 288</p> <p>1 case? 2 A. He is my personal counsel. 3 Q. Do you have a contract for services with 4 him? 5 MR. GALBRAITH: Don't answer that. 6 Q. (BY MR. COON) Did you hire Mr. Starr? 7 MR. GALBRAITH: Don't answer that. 8 MR. COON: He can answer that. We 9 want to know where his lawyers came from. He's his 10 personal attorney. 11 MR. GALBRAITH: I don't get to ask 12 your clients where their lawyers came from. 13 MR. COON: Well, you can safely 14 assume if I'm representing them, then they hired 15 me. 16 Q. (BY MR. COON) I am just asking you, sir. 17 MR. GALBRAITH: I don't get to say 18 when did you go seek an attorney, for example. 19 MR. COON: I'm just asking -- I 20 didn't ask that. 21 MR. GALBRAITH: It's irrelevant. 22 Q. (BY MR. COON) You have an attorney here, 23 sir. I want to know if he is your personal 24 attorney, Mr. Starr? 25 MR. GALBRAITH: He has answered</p>
<p style="text-align: right;">Page 287</p> <p>1 information? 2 A. No, sir. 3 Q. How many times have you met with 4 attorneys before you came in to testify today? 5 MR. GALBRAITH: On any subject in 6 life? 7 A. In reference to what? 8 Q. (BY MR. COON) In reference to why we are 9 here, sir. 10 A. Well, in reference to this deposition? 11 Q. In reference to this deposition. 12 A. Maybe three to four days total 13 regarding -- because of the three reschedules, the 14 day before each one of them. 15 Q. Did you meet with Fulbright attorneys? 16 A. Pardon me? 17 Q. With Fulbright attorneys? 18 A. They were there, sir. 19 Q. Did you meet here? 20 A. In this building, yes, sir. 21 Q. Okay. Sir, you also have other counsel 22 today, Mr. Starr? 23 A. Yes, sir. 24 Q. Is that correct? 25 Is he your personal lawyer in this</p>	<p style="text-align: right;">Page 289</p> <p>1 that. 2 A. The answer to that is yes. 3 Q. (BY MR. COON) And why is it that you 4 have retained an attorney, a personal attorney in 5 this matter? 6 MR. GALBRAITH: Don't answer that. 7 THE WITNESS: Thank you. 8 MR. GALBRAITH: Don't answer that. 9 MR. COON: Are you instructing the 10 witness not to answer that question? 11 MR. GALBRAITH: I am asking him 12 not to answer that on the advice of counsel. 13 MR. COON: We'll certify. 14 Q. (BY MR. COON) Why is it that you have 15 retained an attorney who was a former chief of 16 environmental crimes at the Department of Justice? 17 MR. GALBRAITH: Don't -- the same 18 advice. 19 Q. (BY MR. COON) Have you met with 20 attorneys for the Department of Justice? 21 MR. GALBRAITH: I think that's a 22 violation of an order. 23 MR. COON: I don't think the order 24 has been signed, to my knowledge. 25 MR. GALBRAITH: I think it has,</p>

<p style="text-align: right;">Page 290</p> <p>1 and I am not sure we are supposed to be talking 2 about it for any particular judge or any particular 3 order as I -- 4 MR. COON: I will stay that one. 5 MR. GALBRAITH: -- think we were 6 instructed -- 7 MR. COON: I will stay that -- 8 MR. GALBRAITH: -- not to talk 9 about that. 10 MR. COON: I understand there is a 11 motion and that there has been no ruling on it, but 12 I could stand corrected. I will withdraw the 13 question for the time being. 14 Q. (BY MR. COON) Have you retained any 15 other attorneys, sir? 16 MR. GALBRAITH: Don't answer that. 17 That is my advice. 18 Q. (BY MR. COON) On advice of BP's counsel 19 here, you are not answering that question, sir? 20 A. That's correct. 21 MR. COON: Certify it, please. 22 Q. (BY MR. COON) Mr. Parus, have you talked 23 to any of the BP employees to help facilitate your 24 testimony today? 25 A. No, sir.</p>	<p style="text-align: right;">Page 292</p> <p>1 letter on February 9th, Pat had called me. 2 Q. The week after -- 3 A. I received my update on February 9th or 4 10th. 5 Q. Of this year? 6 A. Yes, sir. 7 Q. The update being the status of your leave 8 of absence? 9 A. Yes, sir. 10 Q. Did you discuss with him a desire to 11 return to gainful employment with BP? 12 A. Not at that -- not during that 13 conversation. 14 Q. What was the general genesis of this 15 conversation? 16 A. Pat called me instructing -- or informing 17 me that I was no longer reporting to him. 18 Q. Did he tell you why? 19 A. He just said I was moved to Ross. 20 Q. Did he tell you why? 21 A. No, sir. And that he was -- 22 Q. Ross being Mr. Pillari? 23 A. Ross being Mr. Pillari. 24 Q. Okay. 25 A. And that he was no longer in a position</p>
<p style="text-align: right;">Page 291</p> <p>1 Q. When was the last time you talked to 2 anybody who worked for BP? 3 A. A couple of weeks ago. 4 Q. Who was that? 5 A. Susan Dio. 6 Q. Was that a social visit or professional? 7 A. Social. 8 Q. Anybody else you have retained a social 9 relationship with in a management position at BP 10 Texas City or elsewhere? 11 A. Ken Panozzo. 12 Q. Anyone else? 13 THE WITNESS: Do you want me to 14 give out the names? 15 MR. GALBRAITH: I am not going to 16 instruct you not to answer that one. Persons you 17 have maintained a social relationship with. 18 A. In a management position? 19 Q. (BY MR. COON) Yes, sir. 20 A. I am not aware of any others, sir. 21 Q. When was the last time you talked to 22 Mr. Gower? 23 A. The week following February 9th. I need 24 to add him to the list based on that statement. 25 February 9th, the week sometime following that</p>	<p style="text-align: right;">Page 293</p> <p>1 to influence or inform me of anymore decisions that 2 if you want to remain -- he is available to 3 maintain a social contact with him. 4 Q. To not engage in social or could? 5 A. I could. 6 Q. Could. 7 He gave you no reason for the 8 transfer of responsibility answering from Mr. Gower 9 to Mr. Pillari? 10 A. No, sir. I didn't press him on it 11 either. 12 Q. Did he tell you that he was under an 13 investigation by BP now? 14 A. No, sir. 15 Q. Did he tell you that you were under a new 16 investigation by BP now? 17 A. No, sir. 18 Q. Do you know a Bill Bonsier? 19 A. I know as a Bill -- Bonsier is how I 20 pronounce it, if it's -- 21 Q. How do you know -- 22 A. -- that same individual from Germany. 23 Q. How do you know Mr. Bonsier? 24 A. He is the equivalent position in Germany 25 that Ross has in North America. I just know of</p>

<p style="text-align: right;">Page 294</p> <p>1 him, and he was part of the acquisition of Veba 2 Aral in Germany. 3 Q. When was the last time you talked to 4 Mr. Bonsier? 5 A. I am not sure I ever talked to 6 Mr. Bonsier directly. 7 Q. Are you aware that Mr. Bonsier has 8 initiated a new investigation on behalf of BP into 9 the conduct of you, Mr. Gower, Ms. Lucas and/or 10 Mr. Willis? 11 A. No, sir. 12 Q. Mr. Gower has not confided in you that 13 the reason for transferring responsibilities from 14 him to Mr. Pillari was as a result of his potential 15 conflict as a result of being under investigation 16 by BP now? 17 A. No words to that effect at all. 18 Q. Is this the first you have heard of such? 19 A. I am aware there is a management 20 accountability report, and that's about the extent 21 of what I know. Who is authoring it, who 22 commissioned it, its purpose, I do not know. 23 Q. How was it that you found out about this 24 manageability accountability report? 25 MR. GALBRAITH: I'm not -- don't</p>	<p style="text-align: right;">Page 296</p> <p>1 likelihood of you having to provide statements or 2 justification for your course of conduct as it 3 relates -- 4 A. There has been no contact between BP and 5 me in the last -- other than the comment I shared 6 with Pat, there has been no contact at all in 7 reference to this report. 8 Q. When was the last time you had any 9 contact with any of the officers in London, meaning 10 Mr. Maslin, Mr. Hoffman, Manzoni, Browne, any 11 others? 12 A. Somewhere in the April of '04 time 13 period. 14 Q. Was this -- 15 A. I would put Ross, John Manzoni and John 16 Browne into that trio. It would be April of '04. 17 Q. I thought you met Mr. Hoffman and 18 Mr. Gower in February, '05. 19 A. I am off by a year, then, sir. I'm 20 sorry. 21 '05, sir. I'm sorry. 22 Correction. 23 Q. Okay. You met all those gentlemen the 24 month after the explosion? 25 A. Yeah, when they were down. That's the</p>
<p style="text-align: right;">Page 295</p> <p>1 answer that. 2 Wait. How did you find out? 3 MR. COON: Yeah. 4 MR. GALBRAITH: To the extent that 5 you can answer that without divulging what your 6 counsel told you, then you can answer it. But if 7 it requires you to say something that your lawyers 8 told you, then I would advise you not to answer. 9 Now, does that answer your 10 question? 11 A. I am not going to answer the question, 12 sir. 13 Q. (BY MR. COON) Not going to answer our 14 question because you don't like us or because you 15 are taking the advice of your counsel? 16 A. I am taking the advice of my counsel, 17 sir. 18 MR. COON: Certify that. 19 Q. (BY MR. COON) What is it that you 20 understand a management accountability report would 21 involve as it relates to you? 22 A. I don't understand. I don't have enough 23 details or understanding of it. I have those two 24 words. That's it. 25 Q. Do you have any understanding as to the</p>	<p style="text-align: right;">Page 297</p> <p>1 last occasion. I just missed the year. 2 Q. This would be April of '05? 3 A. Yes, sir. 4 Q. Instead of April of '04? 5 A. Yes, sir. Sorry. 6 Q. Mr. Parus, when you were transferred over 7 to the BP South Houston complex, that was 2002? 8 A. Yes, sir. 9 Q. And how old a man were you then? 46? 10 A. Yes, sir. 11 Q. And you were what, 48, 49, when you were 12 made the business unit leader of BP Texas City? 13 A. 49. 14 Q. And BP Texas City was the largest 15 refinery complex owned and operated by BP, was it 16 not, the flagship? 17 MR. GALBRAITH: Objection, form. 18 A. We've made multiple statements. I would 19 say it's still the largest refinery. 20 Q. (BY MR. COON) Out of how many refineries 21 internationally? 22 A. 18 total, plus or minus. I mean, it 23 would be a ballpark. 24 Q. And how many business unit leaders were 25 your age or younger?</p>

75 (Pages 294 to 297)

<p style="text-align: right;">Page 298</p> <p>1 A. I have no idea.</p> <p>2 Q. Do you know of any who were appointed the</p> <p>3 responsibility of being the business unit leader at</p> <p>4 a refinery that were younger than you?</p> <p>5 A. My boss was GVP and business unit leader</p> <p>6 was younger than I am.</p> <p>7 Q. Your boss was younger than you?</p> <p>8 A. Mike Hoffman.</p> <p>9 Q. How old is Mr. Hoffman?</p> <p>10 A. I can't certify with his birth</p> <p>11 certificate, but I think he is four or five years</p> <p>12 younger than I am. I also believe that John</p> <p>13 Manzoni is younger than I am as well.</p> <p>14 Q. When you came to BP South Houston, how</p> <p>15 was it that you were to add value to the facility</p> <p>16 or the complex?</p> <p>17 A. Through three different lenses.</p> <p>18 Q. Which were?</p> <p>19 A. The first lens was provide a regional</p> <p>20 shared service to all five facilities versus doing</p> <p>21 it independently and separately.</p> <p>22 Q. What does that mean in layman's terms?</p> <p>23 A. That means instead of having a human</p> <p>24 resource manager at each of the five sites in a</p> <p>25 separate team and separate practice there, I would</p>	<p style="text-align: right;">Page 300</p> <p>1 Q. (BY MR. COON) Is reduction of force a</p> <p>2 component of that?</p> <p>3 A. It is an element of that.</p> <p>4 Q. And reductions of force basically mean</p> <p>5 getting rid of some people?</p> <p>6 A. There was --</p> <p>7 MR. GALBRAITH: Objection, form.</p> <p>8 A. There was a net less people required</p> <p>9 because of redundancies.</p> <p>10 Q. (BY MR. COON) Okay. Second lens,</p> <p>11 please, sir.</p> <p>12 A. Hydrocarbon optimization, which means you</p> <p>13 make sure that the right products and right</p> <p>14 feedstocks are shared between the five units to</p> <p>15 deliver the highest value for the group.</p> <p>16 Sometimes that may be market.</p> <p>17 Sometimes that may be another site.</p> <p>18 Q. And the third, sir?</p> <p>19 A. The third, sir, was to share best</p> <p>20 practices between the sites.</p> <p>21 Q. Being what?</p> <p>22 A. I mean, if one site had a best practice,</p> <p>23 share that and implement it at another site.</p> <p>24 Q. As akin to lessons learned, look at</p> <p>25 things that other facilities are doing that may</p>
<p style="text-align: right;">Page 299</p> <p>1 provide a regional service for all five sites so</p> <p>2 that way you prove the effectiveness and efficiency</p> <p>3 of delivering those services.</p> <p>4 Q. Which means what? You get rid of some</p> <p>5 people? You get things cheaper? What?</p> <p>6 MR. GALBRAITH: Objection, form.</p> <p>7 A. Again, I think it improves efficiency and</p> <p>8 effectiveness. That's the way I would characterize</p> <p>9 it.</p> <p>10 Q. (BY MR. COON) Well, is that efficiency</p> <p>11 derived from reductions in force or is --</p> <p>12 A. It was --</p> <p>13 Q. -- it derived from --</p> <p>14 A. That is an element but you also get</p> <p>15 consistent delivery of service across the sites</p> <p>16 versus independents. It's more than just the</p> <p>17 number of people. That's one lens.</p> <p>18 Q. Okay.</p> <p>19 A. The second lens is --</p> <p>20 Q. So I understand that, that lens is</p> <p>21 reduction of forces and better reliability?</p> <p>22 A. No.</p> <p>23 MR. GALBRAITH: Objection, form.</p> <p>24 A. That was your words. What I said was</p> <p>25 efficiency and effectiveness.</p>	<p style="text-align: right;">Page 301</p> <p>1 effectuate more reliability, more efficiency,</p> <p>2 whatever?</p> <p>3 A. Lessons learned would be one -- one</p> <p>4 aspect of that lens.</p> <p>5 Q. When was the last time you talked to</p> <p>6 Mr. Hale?</p> <p>7 A. Just post the -- just post the explosion</p> <p>8 Rick called me and then, I think, he sent me a</p> <p>9 "thinking of you" e-mail some two to three months</p> <p>10 after the explosion. I don't remember any other --</p> <p>11 I don't remember any phone or face-to-face dialogue</p> <p>12 with Rick Hale.</p> <p>13 Q. Mr. Parus, we deposed Mr. Hale and he</p> <p>14 intimated that there were some strained relations</p> <p>15 with you. Were you aware of that?</p> <p>16 MR. GALBRAITH: Objection, form.</p> <p>17 A. I would not characterize it a strained</p> <p>18 relationship with me. That's not how I would</p> <p>19 characterize it.</p> <p>20 Q. (BY MR. COON) How would you characterize</p> <p>21 it?</p> <p>22 A. I'd say --</p> <p>23 MR. GALBRAITH: Objection, form.</p> <p>24 A. I'd say Rick had a difficult management</p> <p>25 structure to operate under. He was taking lead</p>

<p style="text-align: right;">Page 302</p> <p>1 from three different supervisors. Myself being one  2 through integration. Pat being another through the  3 region and Mike Hoffman, with who Rick's  4 performance contract was with. So Rick had to  5 balance three different leaders.  6 Q. (BY MR. COON) Did the two of you compete  7 for what ultimately became the business unit leader  8 position for Texas City?  9 A. I don't believe so, sir. No.  10 Q. Did he by -- or request that position  11 when the South Houston complex was dissolved?  12 A. My understanding is when the announcement  13 of the separation occurred, Rick sent Pat a letter  14 saying, "I am open. I can take one of several  15 avenues. My kids are grown. If you want me to go  16 to a new company, that's fine by me. If you want  17 me to stay at Texas City, that's fine by me. If  18 you want me to go to another job, that's fine by  19 me; and if you want me to retire."  20 This is a letter that he sent to  21 Pat and then copied me on.  22 Q. Did you ever have an understanding that  23 Mr. Hale opposed the goals that you were assigned  24 to procure for BP in consolidating these units down  25 here in the South Houston area to effectuate these</p>	<p style="text-align: right;">Page 304</p> <p>1 not sure that was shared with me.  2 Q. The two of you while you worked together  3 had shared responsibilities at Texas City never  4 shared these business strategies and plans and  5 goals?  6 A. We really didn't share responsibilities.  7 We had different responsibilities. I wouldn't put  8 them in the "shared" category.  9 Q. With the BP South Houston plants  10 operating collectively, were there environmental  11 credits that were derived?  12 A. Possibly. I just don't have the  13 information to comment.  14 Q. Was the first that you were exposed to  15 any of the culture issues at Texas City from your  16 personal appearance here in 2002? In other words,  17 had you been here before? Had you heard anything  18 about --  19 A. Just I had been on visits, and I don't  20 think a day or two visits gives you an insight to  21 the culture. So to answer your question, my first  22 exposure began in April of 2002.  23 Q. And we will talk at a later date about  24 the revenue streams and your Capex and Revex.  25 But as I understood from your</p>
<p style="text-align: right;">Page 303</p> <p>1 three lenses you were describing?  2 A. Are you referring to -- which goals are  3 you referring to?  4 Q. Did you understand that Mr. Hale opposed  5 this attempt to consolidate all these units in the  6 South Houston area?  7 A. They were already consolidated.  8 Q. Did you understand he opposed the  9 continued consolidation of those facilities?  10 MR. GALBRAITH: Objection, form.  11 A. I am not sure I understand your question,  12 Mr. Coon.  13 Q. (BY MR. COON) Well, you understand all  14 those complexes, the complexes of South Houston,  15 those four or five different facilities?  16 A. It ended four.  17 Q. They ended up as a result of sales and  18 closures --  19 A. Separating.  20 Q. -- separated?  21 A. Yes.  22 Q. You understand that Mr. Hale has  23 testified that it was his desire to see each of  24 them stand alone?  25 A. It might have been his preference. I am</p>	<p style="text-align: right;">Page 305</p> <p>1 earlier testimony, the plant value at the time you  2 were there was about 1.5 billion for BP Texas City?  3 MR. GALBRAITH: Objection, form.  4 A. That's my best estimate, Mr. Coon. And  5 that would include both the refinery and the  6 chemical plant.  7 Q. (BY MR. COON) What's it on the tax rolls  8 for?  9 A. Say it again, please.  10 Q. What is it on the tax rolls?  11 A. I don't know.  12 Q. Were you involved in the debates with  13 certain persons at BP Texas City and the revenueurs  14 down there with respect to the appropriate  15 valuation for BP Texas City?  16 A. No, sir.  17 Q. Did you have an understanding within the  18 BP structure as to what a particular plant was  19 supposed to operate on as a rate of return based on  20 profits to its value?  21 And by "value" you are talking  22 about a cost of replacement or --  23 A. It typically was 15 percent return on  24 capital employed.  25 Q. And the capital employed being --</p>

<p style="text-align: right;">Page 306</p> <p>1 A. On average.</p> <p>2 Q. And the capital employed in this case</p> <p>3 being approximately 1.5 billion?</p> <p>4 A. To the best of my knowledge.</p> <p>5 Q. So a good margin within the BP</p> <p>6 infrastructure would be to operate at 15 percent</p> <p>7 return on investment of about 1.5 billion at that</p> <p>8 facility?</p> <p>9 A. It would be a benchmark.</p> <p>10 Q. It would be about 225 million a year?</p> <p>11 A. I haven't done the math, but it's</p> <p>12 15 percent of that.</p> <p>13 Q. You were pretty good at math a while ago.</p> <p>14 A. No, sir, I wasn't. I didn't do the math</p> <p>15 for the 16 percent.</p> <p>16 Q. Okay.</p> <p>17 A. Mr. Williams did.</p> <p>18 Q. Does that sound like somewhere around the</p> <p>19 number that was your projection for a goal at BP</p> <p>20 Texas City?</p> <p>21 A. That's not the question you asked me.</p> <p>22 I'm sorry. Can I write on that -- can I finish</p> <p>23 your first question before you start asking the</p> <p>24 next one?</p> <p>25 Q. Sure.</p>	<p style="text-align: right;">Page 308</p> <p>1 below its projected rate of return?</p> <p>2 A. Yes, sir, it has.</p> <p>3 Q. What were --</p> <p>4 A. And I am looking through a five-year -- a</p> <p>5 five-year window. I am not sure I can go back</p> <p>6 further than that.</p> <p>7 Q. What were the reasons for Texas City</p> <p>8 underperforming to BP benchmarks?</p> <p>9 A. I don't really think --</p> <p>10 MR. GALBRAITH: Objection, form.</p> <p>11 A. I don't think the underperformance was</p> <p>12 limited to Texas City. All of refining in the late</p> <p>13 '90s, early 2000 did not make any money at all.</p> <p>14 Q. (BY MR. COON) And they underperformed</p> <p>15 compared to what?</p> <p>16 A. To the benchmark.</p> <p>17 Q. What benchmark?</p> <p>18 A. 15 percent rate of return.</p> <p>19 Q. Whose benchmark is that? Is that a</p> <p>20 petrochemical benchmark?</p> <p>21 A. Just the corporation. You asked me --</p> <p>22 you asked me for financial framework, roughly,</p> <p>23 financial rate of return on capital employed. I</p> <p>24 said that financial framework was roughly</p> <p>25 15 percent.</p>
<p style="text-align: right;">Page 307</p> <p>1 A. 20, 25 million is a good number. Okay.</p> <p>2 It doesn't -- It doesn't -- I don't know there is a</p> <p>3 direct correlation between that number and the</p> <p>4 goal.</p> <p>5 Q. Okay.</p> <p>6 A. I can't answer. I had many goals. I</p> <p>7 mean, financial, safety, environmental. There were</p> <p>8 goals put through five lenses.</p> <p>9 Q. Okay. We're looking at the profit lens</p> <p>10 at a value of 1.5 million, give or take a dollar?</p> <p>11 A. The profit lens was set for the site</p> <p>12 based on a set of conditions that were assumed and</p> <p>13 issued out of London. These set of conditions then</p> <p>14 generated what the profit would be since we are</p> <p>15 part of a margin business.</p> <p>16 Q. Okay. Well, if you are looking at a</p> <p>17 typical rate of return of being 15 percent return</p> <p>18 on investment --</p> <p>19 A. That would be a benchmark. It doesn't</p> <p>20 mean my goal is 15 percent. There are years where</p> <p>21 it could be less and there are years it could be</p> <p>22 more.</p> <p>23 Q. How many --</p> <p>24 A. It depends on conditions.</p> <p>25 Q. Has Texas City historically operated</p>	<p style="text-align: right;">Page 309</p> <p>1 Q. Okay.</p> <p>2 A. In the late '90s, early 2000, all of the</p> <p>3 refineries, to my knowledge, at least I can speak</p> <p>4 for all of the U.S. refineries, okay, made very</p> <p>5 little, if any, money the entire year.</p> <p>6 Q. Where did Texas City rate compared to the</p> <p>7 other refineries in the BP system?</p> <p>8 A. Near the bottom.</p> <p>9 Q. Why?</p> <p>10 A. High capital employed and did not make</p> <p>11 any money.</p> <p>12 Q. But I presume the analysis went deeper</p> <p>13 than that, did it not?</p> <p>14 MR. GALBRAITH: Objection, form.</p> <p>15 A. I am not sure I understand your question.</p> <p>16 Q. (BY MR. COON) Well, I am assuming the</p> <p>17 analysis went deeper than it just didn't make</p> <p>18 money.</p> <p>19 MR. GALBRAITH: Objection, form.</p> <p>20 Q. (BY MR. COON) The question would be:</p> <p>21 Why did it not make money?</p> <p>22 MR. GALBRAITH: Objection, form.</p> <p>23 Q. (BY MR. COON) Or why did it not --</p> <p>24 A. I'm not sure. I was not there during the</p> <p>25 time period. So I can't answer your question, sir.</p>

1 Q. Okay. When you arrived in 2002, where  
2 did BP Texas City stand compared to the other  
3 refineries on the rate of return?  
4 A. I am not sure I could answer that. I  
5 just don't recall at this stage.  
6 Q. Do you recall it still being near the  
7 bottom in 2002?  
8 A. If I could --  
9 MR. GALBRAITH: Objection, form.  
10 A. -- recall, I could answer that question.  
11 So that's why I don't want to characterize it.  
12 Q. (BY MR. COON) You don't know --  
13 A. I would have to see the data. I just  
14 don't recall the data.  
15 Q. No recollection as to whether it was  
16 doing better or worse than the average BP refinery?  
17 A. Again, my lens is in 2002 were not to  
18 look at the individual units perform. I was  
19 looking through integration value. Rick looking  
20 through their own performances. That's why the  
21 numbers are not sticking in my head.  
22 Q. Did you ever talk to anyone in London as  
23 to why they would come out with an across the board  
24 mandate or challenge of a 25 percent budget cut in  
25 fixed operational costs to all of its refineries --

1 MR. GALBRAITH: Objection --  
2 Q. (BY MR. COON) -- in 1999?  
3 MR. GALBRAITH: Objection, form.  
4 A. Not being in refinery during that time  
5 period, I am not sure I had that direct  
6 conversation.  
7 Q. (BY MR. COON) You said earlier you did  
8 not know what, if anything, Texas City cut --  
9 A. I didn't --  
10 Q. -- out of the budget?  
11 A. I stated I did not know what the exact  
12 amount was that they cut.  
13 Q. Okay. Did you know what was cut when you  
14 got out there in 2002 to have a better  
15 understanding and appreciation for the history of  
16 the investments and lack thereof at BP Texas City?  
17 MR. GALBRAITH: Objection, form.  
18 A. Again, my lens was not to look at Texas  
19 City's performance. That was Rick's role and Rick  
20 would look and manage that.  
21 Rick had accountabilities for the  
22 Texas City budgets. I was looking through the two  
23 to three lens I earlier stated to you.  
24 Q. (BY MR. COON) Have you ever seen this  
25 document before, a document called "Reduced

1 External Supplier and Materials Usage"?  
2 A. Do you have a date on the document?  
3 Q. (BY MR. COON) This is a 1999 document.  
4 MR. GALBRAITH: Is it marked?  
5 MR. COON: I believe there is a  
6 marked copy attached somewhere.  
7 MR. GALBRAITH: But is it marked  
8 just so I can put it in my records? Do you know  
9 what exhibit it is?  
10 MR. COON: We will make it 503.  
11 (Exhibit Number 503 marked for  
12 identification.)  
13 Q. (BY MR. COON) Have you seen it before,  
14 sir?  
15 A. I don't recognize it, Mr. Coon.  
16 Q. I want to show you just a few of the  
17 budget cuts that were implemented --  
18 A. Okay.  
19 Q. -- anecdotally here to give you a flavor  
20 of what you walked into out there.  
21 There is a list of cost reduction  
22 items at the top, cost savings --  
23 A. Can you focus it? I am not reading a  
24 single word you have up there. Is there a better  
25 way to focus that, please?

1 Q. I am sorry. This is a Fulbright  
2 projector. It's the best it will do.  
3 A. Can I get a paper copy, then, or I  
4 just -- I can't read this up there.  
5 Q. You can't see that right there?  
6 A. I can but I can't see the whole row but  
7 go ahead.  
8 Q. No. We will have to walk through one at  
9 a time. We can't get it all sharpened and enlarged  
10 at once.  
11 If you look across the columns  
12 over here, sir, you have cost reduction action, the  
13 cost savings, the estimates, the person responsible  
14 and the status. Okay. That's our five columns. I  
15 am going to go through some of these to show you  
16 some of the things that were cut.  
17 Now, they eliminated safety awards  
18 for a savings of \$75,000.  
19 MR. GALBRAITH: Objection, form.  
20 Q. (BY MR. COON) They eliminated safety  
21 calendars for a 40,000-dollar savings. They  
22 eliminated their own catastrophic insurance policy  
23 for a savings of a million dollars.  
24 Did you ever understand what, if  
25 any, insurance was available as a result of the

1 March 23 explosion?  
 2 MR. GALBRAITH: Objection, form.  
 3 A. I didn't follow up with that, sir.  
 4 Q. (BY MR. COON) Did you ever have any  
 5 understanding as to what was not insured at the  
 6 time of that explosion?  
 7 A. No, sir.  
 8 Q. Did you know if any of the contractors'  
 9 damages were covered?  
 10 A. No, sir. It's an area that I did not  
 11 explore.  
 12 Q. Did you ever hear or know as to whether  
 13 or not there were interruption of business losses  
 14 that were covered?  
 15 A. Not a word, sir.  
 16 Q. Did you --  
 17 A. I mean, it was an individual following  
 18 the incident that was put on the insurance thing.  
 19 I am not even sure I can remember his name. That's  
 20 about as far as -- that's about the only thing I  
 21 can tell you about insurance.  
 22 I didn't know. Somebody was  
 23 stepped up to look into that.  
 24 Q. Okay. When you were the business unit  
 25 leader, did you know what type of insurance

1 company, if any, you had available for that  
 2 facility?  
 3 A. Not in the short period of time in the  
 4 business unit, no.  
 5 Q. There was another section that was called  
 6 the deferred maintenance turnaround and other  
 7 budget cuts.  
 8 MR. GALBRAITH: That's not a  
 9 question yet, right?  
 10 Q. (BY MR. COON) And under that it talks  
 11 about deferring a number of turnarounds.  
 12 What are turnarounds, sir?  
 13 MR. GALBRAITH: Objection, form.  
 14 A. Turnarounds stands for when you take a  
 15 unit off line, do repairs and bring it back on  
 16 line.  
 17 Q. (BY MR. COON) And while they are down,  
 18 obviously you are not producing anything and  
 19 deriving any revenue for BP, correct?  
 20 A. That's correct.  
 21 Q. So there's a preference to eliminate  
 22 turnaround activities to as short a timeframe as  
 23 possible and as long of a duration in between so  
 24 that you are -- so that your product line is not  
 25 down. Fair statement?

1 MR. GALBRAITH: Objection, form.  
 2 A. That's a business strategy.  
 3 Q. (BY MR. COON) And we have several  
 4 examples of deferring turnarounds. Do you know the  
 5 C-A-m-i-n-e TAR? Do you know anything about that?  
 6 A. That's a section --  
 7 MR. GALBRAITH: Objection, form.  
 8 A. The C-Amine is a section of a unit.  
 9 Q. (BY MR. COON) Okay. There was a 307B  
 10 turnaround. Do you know anything about that being  
 11 pushed off?  
 12 A. I don't know what 307B is.  
 13 Q. Do you know the T-2 turnaround being  
 14 pushed off?  
 15 MR. GALBRAITH: Objection, form.  
 16 Q. (BY MR. COON) Do you know anything about  
 17 that?  
 18 A. No, sir. In fact, Power Station 3 was  
 19 sold to Green Power. So that was --  
 20 Q. When you had the similar 25 percent  
 21 budget challenge initiated to you in 2005 or for  
 22 2005, did you end up meeting with various  
 23 responsible persons at the plant to effectuate some  
 24 savings at that facility?  
 25 MR. GALBRAITH: Objection, form.

1 A. The 25 percent reduction referred to,  
 2 that was re-adjusted to 16 percent, just to be  
 3 clear on that. Okay? It was only in the capital.  
 4 This 25 percent that you are  
 5 referring up here appears to cut across all  
 6 budgets, capital, expense, variable, et cetera.  
 7 Q. (BY MR. COON) Okay. Your 2005 budget  
 8 challenge was for Capex only?  
 9 A. Capex only.  
 10 Q. Let's go to the next section here.  
 11 "Shared Service and Site Integration Efficiencies."  
 12 And if you look at cuts that were  
 13 derived there and, again, it indicates sustainable  
 14 and we looked over --  
 15 A. Can you focus it, again, please?  
 16 Q. -- carried over from year to year.  
 17 It says, "Reduce the 1999 Texas  
 18 City JCC budget by" --  
 19 A. JCC?  
 20 Q. "40,000."  
 21 Do you know what the JCC budget  
 22 would be?  
 23 A. J -- no, sir, I don't.  
 24 Q. Okay. The next we have a 500,000-dollar  
 25 cost savings for reduced 1999 training plan for



<p style="text-align: right;">Page 318</p> <p>1 asset operators and maintenance crafts.  2 Did you know anything about that  3 budget cut?  4 A. This is still all part of the 25 percent  5 challenge.  6 Q. Another \$180,000 in savings was derived  7 from eliminating division safety committee meetings  8 and reduce wellness committees/program service.  9 What is the wellness  10 committees/program service?  11 MR. GALBRAITH: Objection, form.  12 A. I'd have to speculate. I don't know. I  13 mean, it must have been some kind of wellness  14 committee there. I don't know what it was.  15 Q. (BY MR. COON) Were those health services  16 provided to your employees?  17 A. I don't know. It could be memberships.  18 I just don't know.  19 Q. Okay.  20 A. This predates me.  21 Q. Additional cost savings, eliminate all  22 except OSHA training and external seminars. Do you  23 know anything about that?  24 MR. GALBRAITH: Objection, form.  25 A. No, sir.</p>	<p style="text-align: right;">Page 320</p> <p>1 there the date of the explosion, as I recall from  2 this morning. The day of the explosion,  3 March 23rd, you were not on site?  4 MR. GALBRAITH: Objection, form.  5 A. Very close to site. I was in route back  6 to the site. I mean, I don't know -- I'm not sure  7 how you want to define "not there."  8 I was not inside the fence  9 lines --  10 Q. Okay.  11 A. -- but I was probably three minutes to  12 five minutes away from the site.  13 Q. Okay. Who did you leave in charge in  14 your absence?  15 A. The shift directors are in charge of the  16 site 24 hours a day, 7 days a week, whether I am  17 there or not.  18 Q. Where was Ms. Lucas?  19 A. Her exact location, I do not know, sir.  20 She was in the plant, I assume.  21 Q. And Ms. Lucas was Number 2 at the plant,  22 answered directly to you?  23 A. She's my operations manager. That's  24 correct.  25 Q. Now, when you first heard about the</p>
<p style="text-align: right;">Page 319</p> <p>1 Q. (BY MR. COON) Hold fire drills once a  2 month rather than twice a month. Do you know  3 anything about that?  4 MR. GALBRAITH: Objection to form.  5 A. No, sir.  6 Q. (BY MR. COON) And that was done by  7 Mr. McLemore. You understood he was the fire chief  8 out there?  9 A. That's who -- that's who Mr. McLemore was  10 when I arrived.  11 Q. Okay.  12 A. I am not sure of his role then.  13 Q. Well, if you are having 80 fires a year,  14 is it a good idea to reduce the number of your fire  15 drills?  16 MR. GALBRAITH: Objection, form.  17 A. You are back into an area of 1999. I  18 don't know what the thinking, the logic, or what  19 they did during this time period.  20 Q. (BY MR. COON) Okay. Further reduce  21 maintenance training. Do you know anything about  22 that?  23 MR. GALBRAITH: Objection to form.  24 A. No, sir.  25 Q. (BY MR. COON) Mr. Parus, you were not</p>	<p style="text-align: right;">Page 321</p> <p>1 explosion, what's the first person or who is the  2 first person you talked to and what did you talk  3 about?  4 A. Kathleen called me.  5 Q. Okay. What did she talk to you about?  6 A. It was pretty short. One, I was driving  7 and you are not allowed to talk on cell phone while  8 you are driving. So it was -- it was pretty short.  9 "Don, we've had an explosion and fire. It looks  10 bad."  11 I said, "Everybody accounted for?"  12 The answer was, "No."  13 I hung up and said, "I'm on my  14 way."  15 Q. Okay. Do you know who she had talked to  16 first?  17 A. No, sir.  18 Q. Do you know she has testified that she  19 talk to the public relations team at your facility  20 before calling anyone else?  21 A. It's possible.  22 Q. Would you recommend your Number 2 to call  23 your public relations department in the event of a  24 major emergency of this nature before calling  25 anyone else, including you?</p>

<p style="text-align: right;">Page 322</p> <p>1 MR. GALBRAITH: Objection, form.  2 A. I am not sure -- again, there is a pager  3 system. I would be identified via pager system  4 anyway. I didn't need a call from her.  5 Q. (BY MR. COON) Ms. Lucas testified that  6 the first person that came to mind as a result of  7 an explosion at a facility in which many people  8 were killed and injured was to call the public  9 relations department.  10 Assuming that to be the facts, is  11 that commendable conduct on behalf of the person  12 that was Number 2 to you at that plant?  13 MR. GALBRAITH: Objection, form.  14 A. What I would expect Kathleen to do was to  15 initiate the IMT. Okay? It was the important  16 piece, and that was done. I don't know who did it.  17 But initiating the IMT is the important role that  18 should have been done that activates and notifies  19 all managers at the site, not just me.  20 Q. (BY MR. COON) And IMT is the acronym  21 for?  22 A. Emergency management team. That's where  23 it all -- a page goes out and we set up the  24 emergency management team --  25 Q. Is that --</p>	<p style="text-align: right;">Page 324</p> <p>1 are certain notification is made both to the  2 community, to the notification center for BP, to  3 Pat, to London. I was more in a role of ensuring  4 the right communications were made and there was  5 also an incident -- on scene incident commander  6 that runs that facility, that runs that site.  7 Q. When did you first contact anyone at  8 London?  9 A. There's a complete log in the IMT. I  10 would have to look at the log. There's -- I made a  11 lot of calls, a lot of contacts. And, again, I  12 didn't make them -- all of them personally again.  13 My role in there was to make sure that all of the  14 contacts were made, and there were various people  15 doing them.  16 Again, this is from a war room.  17 It was done via e-mail, telephone, whatever method  18 possible that the updates were given.  19 Q. Is it fair to state that a major concern  20 at BP you had at the time was the damage to their  21 image as a result of this explosion?  22 MR. GALBRAITH: Objection, form.  23 A. It's not how I'd characterize it. The  24 major state was injuries to people is how I would  25 state it, not the reputation.</p>
<p style="text-align: right;">Page 323</p> <p>1 A. -- in response.  2 Q. -- typically done through your public  3 relations department?  4 A. Anybody can do it.  5 Q. Is it typically done through your public  6 relations department?  7 A. Not typically, but anybody can do it.  8 Q. I mean, do you have a policy that says,  9 "In the event of a major emergency, please contact  10 our public relations department to initiate  11 emergency medical or emergency management teams"?  12 MR. GALBRAITH: Objection, form.  13 A. The IMT, including the drills that we  14 have done in IMT, clearly state to engage the IMT  15 in a major incident. That's the rules, and they  16 are pretty clear.  17 Q. (BY MR. COON) When did you first contact  18 your public relations department as a result of  19 this explosion?  20 A. When I arrived at the site, we assembled  21 the IMT. I didn't need to contact everyone.  22 Everyone came to that room that was available.  23 That's kind of our war room to handle the response.  24 I didn't personally have to contact anyone.  25 My role is to make sure that we</p>	<p style="text-align: right;">Page 325</p> <p>1 Q. (BY MR. COON) You are stating that --  2 A. Reputation didn't even enter my mind.  3 Q. Do you believe it entered the mind of  4 other people at BP at the time of the explosion?  5 MR. GALBRAITH: Objection, form.  6 A. You are asking me to speculate. I don't  7 know what entered their mind. I am telling you  8 what entered my mind. Public relations wasn't even  9 in the equation.  10 Q. (BY MR. COON) Well, did you know it was  11 just within a matter of hours that you had  12 activated your lobby teams in Austin and Washington  13 to help effectuate damage control as a result of  14 this explosion that resulted in many losses of  15 lives and hundreds of injuries?  16 A. I didn't do that.  17 MR. GALBRAITH: Wait. Objection,  18 form.  19 Thank you. Just let me have a  20 second.  21 THE WITNESS: Okay.  22 MR. GALBRAITH: Just let me have a  23 second to get what I need.  24 Q. (BY MR. COON) You can answer.  25 A. I didn't. I don't know who did.</p>

<p style="text-align: right;">Page 326</p> <p>1 My responsibility to the outside 2 office is to make a call to the notification 3 center, which was done, and give them an update of 4 the incident. Then that group there has the 5 responsibility of notating people outside the site. 6 That allows the site not to be worried about making 7 numerous calls to London and elsewhere to update 8 people. So I make one call. 9 Q. Do you know Pat Wright? Do you know Pat 10 Wright? 11 A. I know Pat Wright, yes, sir. 12 Q. What is her responsibility? 13 A. Public governmental affairs in the U.S. 14 I am not sure I could spiel out the title exactly 15 to you. 16 Q. Answers to whom? 17 A. I am not sure I know that answer, sir. 18 Q. And is that Patricia Wright? 19 A. I have always known her by Pat Wright. 20 Q. Does she work out at Texas City? 21 A. No, sir. 22 Q. Where? 23 A. Chicago, possibly. I just don't -- my 24 own -- I have my own contact at the site, okay, and 25 rely on that individual to make the contacts</p>	<p style="text-align: right;">Page 328</p> <p>1 mean, during this very abbreviated time period; and 2 I believe most of the briefings were to Ross and 3 Mike Hoffman and Gower and John Browne who had 4 arrived. So the briefings were in that direction. 5 I don't think the briefings -- the 6 briefings were not for me. 7 Q. Were you made privy to the nature of any 8 of these briefings? 9 A. I was in some, not in others. We were 10 still in recovery mode following the incident, so I 11 can't tell you I was in all of the briefings. I 12 guess I remained an active member of the ITM and 13 remained in that for the incident. 14 Q. Would you agree that BP is very sensitive 15 to the public perception of them as a responsible 16 company? 17 MR. GALBRAITH: Objection, form. 18 A. I think BP is sensitive in many areas, 19 that just being one of them. 20 Q. (BY MR. COON) When did you first see the 21 fatal report that came out mid May, the interim 22 report? 23 A. Exact timing, I don't know; but I saw it 24 prior to it going live on -- at the town hall. 25 Q. Do you recall the date of that report</p>
<p style="text-align: right;">Page 327</p> <p>1 through the organization. I don't call Pat 2 directly. 3 Q. As the business unit leader at the 4 largest BP refinery in the world, had you ever 5 received any training with respect to what to do 6 from a damage control standpoint in the event of a 7 major or catastrophic event? 8 MR. GALBRAITH: Objection form. 9 A. Damage control, sir? 10 Q. (BY MR. COON) Yes, sir. Public 11 relations damage control. 12 MR. GALBRAITH: Objection, form. 13 A. Not specifically. Didn't I answer that I 14 don't believe I have? 15 Q. (BY MR. COON) Do you know anything about 16 the lobbyist that would be in Austin or Washington 17 standing ready on call for BP to handle damage 18 control at a legislative level in the event of an 19 event such as this? 20 MR. GALBRAITH: Objection, form. 21 A. No, sir. 22 Q. (BY MR. COON) Were you ever briefed by 23 Ms. Wright regarding the status of public 24 perceptions as a result of this explosion? 25 A. There were many briefings at the site, I</p>	<p style="text-align: right;">Page 329</p> <p>1 being about May 12, 2005? 2 A. You are real close. 12, 13th, somewhere 3 in that range. 4 Q. It seems like it came out the day before 5 the correspondence that we saw advising that you 6 were put on a leave of absence. 7 Does that timing sound more 8 consistent now? 9 MR. GALBRAITH: Objection -- 10 Q. (BY MR. COON) It looks like the fatal 11 report comes out May 12 -- 12 A. I mean -- 13 MR. GALBRAITH: Objection, form. 14 A. My understanding of timing is that I was 15 talked to on Friday of the week, whatever the date 16 was. And then the following Tuesday is when, I 17 think, the interim update was. 18 I'd have to look at a calendar to 19 put exact dates on it but I just remember being in 20 Chicago on Friday, and that the interim report at a 21 town hall by Ross was done on a Tuesday. 22 Q. (BY MR. COON) Okay. Do you understand 23 that the town hall meeting was May 17, several days 24 after the report actually was stamped as final and 25 official?</p>

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1 A. I am showing the days and how I remember  
 2 it.  
 3 Q. Okay. And you received an advance call  
 4 from Mr. Hoffman where he said something apologetic  
 5 to you or you presumed --  
 6 A. Somewhere around the May 5th timeframe.  
 7 Okay. May 5th, whatever it is. I call it a heads  
 8 up call.  
 9 Q. Okay.  
 10 A. It was --  
 11 Q. Why did --  
 12 A. His --  
 13 Q. I'm sorry.  
 14 Why did Mr. --  
 15 A. I don't know why he called. Don --  
 16 Q. Did he feel like he owed it to you?  
 17 A. I don't know. I just don't know what he  
 18 was thinking.  
 19 Q. And you went to Chicago within a week  
 20 after receiving this heads up from Mr. Hoffman?  
 21 A. Well, I thought I received the heads up  
 22 call on a Monday and went to Chicago on the Friday.  
 23 So I don't think much time expired between it.  
 24 Q. Did you talk to Mr. Gower or anyone else  
 25 at BP Chicago in advance of your trip?

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1 A. I am sure. Especially during that time  
 2 frame, I'm sure -- I am pretty sure I talked to Pat  
 3 before that.  
 4 Q. Did you get advance notice from anyone  
 5 there as well that you were going to be put on a  
 6 leave of absence?  
 7 A. I believe I shared the information with  
 8 Pat.  
 9 Q. Who else did you see other than  
 10 Mr. Gowers in Chicago?  
 11 A. Simon Drysdale was at the meeting as  
 12 well, the vice president of human resources in the  
 13 United States.  
 14 Q. Did you have a mother that lived up there  
 15 at the time?  
 16 A. Yes, sir.  
 17 Q. She was ill at the time, I believe?  
 18 A. Yes, sir.  
 19 Q. Where did you meet Mr. Drysdale and  
 20 Mr. Gower at?  
 21 A. In the Cantera offices near Warendville.  
 22 Q. Did you tell anyone as a result of your  
 23 meetings with Mr. Gower and Mr. Drysdale that, as  
 24 far as you were concerned, that you had been fired  
 25 or terminated from BP?

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1 A. No, sir, because I was not.  
 2 Q. Do you recall meeting anyone else from BP  
 3 while you were in Chicago?  
 4 A. I am not sure.  
 5 Q. Do you remember running into Sonny  
 6 Sanders and Ray Soliz at the Chicago airport?  
 7 A. Yes, sir, but the timing is -- I am not  
 8 clear on the timing. I saw them at the airport.  
 9 Q. So on your way home?  
 10 A. I made several trips to Chicago during  
 11 that time period because of the illness with my  
 12 mom. I don't -- it was one of the trips.  
 13 Q. And you do not recall making remarks to  
 14 them or others that, as far as you were concerned,  
 15 you had perceived yourself to be fired or  
 16 terminated from BP?  
 17 A. No, sir. It had to be a different trip  
 18 down because following the meeting with Pat and  
 19 Simon, I was not allowed to share with anybody that  
 20 notice. So the meeting and seeing Sonny and Ray  
 21 Soliz had to be at a future date, and all I said to  
 22 them was I was removed as BUL at the site.  
 23 Q. Okay. And I think also as a result of  
 24 that information you called your lawyer, didn't  
 25 you?

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1 MR. GALBRAITH: Objection, form.  
 2 In fact, don't answer that.  
 3 THE WITNESS: Okay.  
 4 Q. (BY MR. COON) Did you retain a lawyer to  
 5 discuss the scope and circumstances of your leave  
 6 of absence?  
 7 MR. GALBRAITH: Don't answer that.  
 8 It's my advice.  
 9 MR. COON: Certify it.  
 10 Q. (BY MR. COON) I take it that you are not  
 11 going to answer that question based on the advice  
 12 of Mr. Galbraith here?  
 13 A. That's a fair assumption.  
 14 MR. COON: Okay. Certify the  
 15 question, please.  
 16 MR. GALBRAITH: The time, how much  
 17 time do we have?  
 18 THE VIDEOGRAPHER: One minute.  
 19 MR. COON: One minute.  
 20 Q. (BY MR. COON) Did Mr. Gower or anyone  
 21 else tell you that they believed that you were  
 22 unstable?  
 23 A. No, sir. As asked earlier, the first I  
 24 was shared of it was when the deposition -- his  
 25 deposition was put up on the screen. There was

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1 no -- Pat had not shared with me at any time or  
 2 made any reference to my mental or emotional  
 3 stability.  
 4 Q. And have you asked to come back to work?  
 5 A. I have stressed a strong preference all  
 6 through this process that I want to come back to  
 7 work.  
 8 MR. COON: Okay. We are finished  
 9 for now.  
 10 THE WITNESS: Thank you very much.  
 11 THE VIDEOGRAPHER: Off the record  
 12 at 5:35 p.m.  
 13 (Deposition adjourned.)  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
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1 EXAMINATION  
 2 CHANGES AND SIGNATURE  
 3 PAGE LINE CHANGE REASON  
 4 \_\_\_\_\_  
 5 \_\_\_\_\_  
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DONALD PARUS

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1 I, DONALD PARUS, have read the foregoing  
 2 deposition and hereby affix my signature that same is  
 3 true and correct, except as noted above.  
 4  
 5 \_\_\_\_\_  
 6 DONALD PARUS  
 7 THE STATE OF \_\_\_\_\_  
 8 COUNTY OF \_\_\_\_\_  
 9 Before me, \_\_\_\_\_, on this day  
 10 personally appeared DONALD PARUS, known to me or  
 11 proved to me on the oath of \_\_\_\_\_ or through  
 12 \_\_\_\_\_ (description of identity card or other  
 13 document) to be the person whose name is subscribed  
 14 to the foregoing instrument and acknowledged to me  
 15 that he/she executed the same for the purpose and  
 16 consideration therein expressed.  
 17 Given under my hand and seal of office on this  
 18 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
 19  
 20 \_\_\_\_\_  
 21 NOTARY PUBLIC IN AND FOR  
 22 THE STATE OF \_\_\_\_\_  
 23 My Commission Expires: \_\_\_\_\_  
 24  
 25

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1 CAUSE NO. 05CV0337  
 2 MIGUEL ARENAZA, ELIZABETH ) IN THE DISTRICT COURT  
 3 RAMON, DAVID G. CROW and )  
 4 JUANITA G. CROW, et al. )  
 5 )  
 6 VS. ) 212TH JUDICIAL DISTRICT  
 7 )  
 8 BP PRODUCTS NORTH AMERICA )  
 9 INC., B.P. CORPORATION )  
 10 NORTH AMERICA INC., DON )  
 11 PARUS, AND JE MERIT )  
 12 CONSTRUCTORS, INC. ) GALVESTON COUNTY, TEXAS  
 13 CAUSE NO. 05CV0337-A  
 14 IN RE: BP AMOCO EXPLOSION ) IN THE DISTRICT COURT  
 15 MARCH 23, 2005 )  
 16 COORDINATED DISCOVERY ) 212TH JUDICIAL DISTRICT  
 17 PROCEEDINGS )  
 18 ) GALVESTON COUNTY, TEXAS  
 19 REPORTER'S CERTIFICATE  
 20 ORAL VIDEOTAPED DEPOSITION OF  
 21 DONALD PARUS  
 22 VOLUME 1  
 23 JUNE 22, 2006  
 24  
 25 I, Stephanie Barringer, Certified Shorthand  
 Reporter in and for the State of Texas, hereby  
 certify to the following:  
 That the witness, DONALD PARUS, was duly sworn  
 and that the transcript of the deposition is a true  
 record of the testimony given by the witness;  
 That the deposition transcript was duly  
 submitted on \_\_\_\_\_ to the witness or to the  
 attorney for the witness for examination, signature,  
 and return to me by \_\_\_\_\_.  
 That the following is the computer-calculated  
 amount of time used by each party at the time of the  
 deposition:  
 Mr. Williams (5 hours, 13 minutes)  
 Mr. Coon (50 minutes)  
 Attorneys for Plaintiffs

<p style="text-align: right;">Page 338</p> <p>1 2 That pursuant to information given to the 3 deposition officer at the time said testimony was 4 taken, the following includes the parties at the 5 deposition: 6 FOR PLAINTIFFS ADRIAN MENDOZA, ET AL.: 7 Mr. John Eddie Williams 8 Mr. Chris Dean 9 Williams &amp; Bailey Law Firm 10 8441 Gulf Freeway, Suite 600 11 Houston, Texas 77017 12 Fax: 713-643-6226 13 Telephone: 713-230-2200 14 15 FOR PLAINTIFFS RHONDA DARLENE HEICKMAN, 16 INDIVIDUALLY AND AS DEPENDENT 17 ADMINISTRATOR OF THE ESTATE OF RYAN 18 RENE RODRIGUEZ: 19 Mr. Trent Bond 20 Mr. John Werner 21 Reaud, Morgan &amp; Quinn 22 801 Laurel Street 23 Beaumont, Texas 77720-6005 24 Fax: 409-833-8236 25 Telephone: 409-838-1000 26 27 FOR PLAINTIFFS NATHANIEL EARL GRIMES, 28 EVA HENDERSON, LEONARD BOURGEOIS, 29 ROBBIE BOURGEOIS: 30 Mr. Lewis Chandler 31 Ms. Sherry Scott Chandler 32 The Chandler Law Firm, LLP 33 Park Laureate 34 10000 Memorial Drive, Suite 320 35 Houston, Texas 77024 36 Fax: 713-682-9911 37 Telephone: 713-222-7285</p>	<p style="text-align: right;">Page 340</p> <p>1 APPEARANCES 2 (Continued) 3 4 FOR PLAINTIFF ROGER RODRIGUEZ: 5 Mr. John W. Stevenson, Jr. 6 John W. Stevenson &amp; Associates 7 24 Greenway Plaza, Suite 750 8 Houston, Texas 77046 9 Fax: 713-622-3224 10 Telephone: 713-622-3223 11 12 FOR PLAINTIFFS, ET AL.: 13 Mr. Jeff Burke 14 The Buzbee Law Firm 15 1910 Ice &amp; Cold Storage Building 16 104 Moody 17 Galveston, TX 77550 18 Fax: 409-762-0538 19 Telephone: 409-762-5393 20 21 FOR PLAINTIFFS LESLIE KRENSHAW, CHARLES NICHOLS, 22 HUGO NAVARRO, TIMOTHY SMITH, ROBERT DACUS: 23 Mr. Daniel B. Linebaugh 24 The Linebaugh Law Firm 25 1300 Rollingbrook, Suite 601 26 Baytown, Texas 77521 27 Fax: 281-422-2641 28 Telephone: 281-422-0506 29 30 FOR DEFENDANT DON PARUS: 31 Mr. Judson W. Starr 32 Venable, LLP 33 575 7th Street, NW 34 Washington, DC 20004-1601 35 Fax: 202-344-8300 36 Telephone: 202-344-4886</p>
<p style="text-align: right;">Page 339</p> <p>1 APPEARANCES 2 (Continued) 3 4 FOR PLAINTIFF DAWN PRATER: 5 Mr. Loren Klitsas 6 Klitsas &amp; Vercher, P.C. 7 550 Westcott, Suite 570 8 Houston, Texas 77007 9 Fax: 713-862-1465 10 Telephone: 713-862-1365 11 12 FOR PLAINTIFFS CARLOS GALAN, LESLIE GALAN, 13 JOSE VILLARREAL, HECTOR RODRIGUEZ, 14 ELEAZAR CANTU, MARCO FIGEUEROA, 15 LUIS LOPEZ, ELOY RODRIGUEZ, ERNESTO 16 VALENCIA, LAMIEL VALLANEUVA, JOSEPH MOISE, 17 JESUS LOPEZ, GABRIEL JAIMEZ, EVA RAMIREZ, 18 VERONICA RAMIREZ, JOHN RANGEL, JOSE VILLANEUVA: 19 Mr. Randy Sorrels 20 Mr. Benny Agosto, Jr. 21 Abraham, Watkins, Nichols, 22 Sorrels, Matthews &amp; Friend 23 800 Commerce 24 Houston, Texas 77002 25 Fax: 713-225-0827 26 Telephone: 713-222-7211 27 28 FOR PLAINTIFFS JAIME ANDREADE, ET AL.: 29 Mr. Brent Coon 30 Mr. Arturo J. Gonzalez 31 Brent Coon &amp; Associates 32 3550 Fannin 33 Beaumont, Texas 77701 34 Fax: 409-833-4483 35 Telephone: 409-835-2666</p>	<p style="text-align: right;">Page 341</p> <p>1 APPEARANCES 2 (Continued) 3 4 FOR DEFENDANT JE MERIT: 5 Ms. Bridgett M. Matthes 6 Ebanks, Smith &amp; Carlson 7 2500 Five Houston Center 8 1401 McKinney 9 Houston, Texas 77010 10 Fax: 713-333-4600 11 Telephone: 713-333-4500 12 13 FOR DEFENDANT BP PRODUCTS NORTH AMERICA, INC.: 14 Mr. James B. Galbraith 15 McLeod, Alexander, Powel &amp; Apffel 16 802 Rosenberg 17 P. O. Box 629 18 Galveston, Texas 77553-0629 19 Fax: 409-762-1155 20 Telephone: 409-763-2481 21 22 - and - 23 24 Mr. Stephen M. Fernelius 25 Fulbright &amp; Jaworski 26 1301 McKinney, Suite 5100 27 Houston, Texas 77010-3095 28 Fax: 713-651-5246 29 Telephone: 713-651-5151 30 31 FOR FLUOR ENTERPRISES d/b/a FLUOR 32 GLOBAL SERVICES: 33 Mr. Gregory F. Burch 34 Locke, Liddell &amp; Sapp, LLP 35 3400 JP Morgan Chase Tower 36 600 Travis Street 37 Houston, Texas 77700-3095 38 Fax: 713-223-3717 39 Telephone: 713-226-1200</p>

1 That a copy of this certificate was served on  
2 all parties shown herein on \_\_\_\_\_ and  
3 filed with the Clerk.  
4

5 I further certify that I am neither counsel for,  
6 related to, nor employed by any of the parties in the  
7 action in which this proceeding was taken, and  
8 further that I am not financially or otherwise  
9 interested in the outcome of this action.  
10

11 Further certification requirements pursuant to  
12 Rule 203 of the Texas Code of Civil Procedure will be  
13 complied with after they have occurred.  
14

15 Certified to by me on this \_\_\_\_\_ day of  
16 \_\_\_\_\_.

17 Stephanie Barringer, CSR  
18 Texas CSR 6198  
19 Expiration: 12/31/06  
20 U.S. Legal Support  
21 Firm Registration: 122  
22 519 N. Sam Houston Pkwy., Ste. 200  
23 Houston, Texas 77060  
24 Main number: 713/653-7100  
25 Fax number: 713/653-7143

1 FURTHER CERTIFICATION UNDER TRCP RULE 203  
2

3 The original deposition was/was not returned to  
4 the deposition officer on \_\_\_\_\_.

5 If returned, the attached Changes and Signature  
6 page(s) contain(s) any changes and the reasons  
7 therefor.

8 If returned, the original deposition was  
9 delivered to Mr. Christopher Dean at the Williams &  
10 Bailey law firm as the custodial attorney.

11 \$ \_\_\_\_\_ is the deposition officer's  
12 charges to the Plaintiffs for preparing the original  
13 deposition and any copies of exhibits;

14 The deposition was delivered in accordance with  
15 Rule 203.3, and a copy of this certificate, served on  
16 all parties shown herein, was filed with the Clerk.

17 Certified to by me on this \_\_\_\_\_ day of  
18 \_\_\_\_\_, \_\_\_\_\_.

19  
20 Stephanie Barringer, CSR  
21 Texas CSR 6198  
22 Expiration: 12/31/06  
23 U.S. Legal Support  
24 Firm Registration: 122  
25 519 N. Sam Houston Pkwy., Ste. 200  
Houston, Texas 77060  
Main number: 713/653-7100  
Fax number: 713/653-7143