

A City Beats Back Chevron

By David Helvarg

On August 6, 2012, I heard Chevron's alarm sirens in my home just two miles away from the company's huge refinery complex in Richmond, California. But rather than shelter in place (as the emergency response system would have instructed me to had it worked that day), I went out by the water to take photos of the thick black column of smoke rising over the hills where the number four crude distillation unit had caught fire and raged for hours.

The accident eventually sent 15,000 people to area hospitals complaining of burning eyes, nausea, and respiratory distress. Later, the California OSHA fined Chevron nearly a million dollars for safety violations, such as failing to replace corroded pipe that ruptured and fueled the fire. The city of Richmond also filed a major lawsuit against Chevron, while the company pleaded "no contest" to six criminal charges brought by the county DA and state attorney general and agreed to pay a \$2 million fine.

Approaching the first anniversary of the fire, some 2,500 protesters marched from the local BART (mass transit) station to the refinery gates, where 209 of them, including



JOY KOLITSKY

author and climate activist Bill McKibben, were peacefully arrested.

Today, I'm taking a tour of the refinery. I'm told that it opened in 1902 to produce kerosene six years before Henry Ford introduced the Model T that popularized gas-driven automobiles. In 2013, the refinery earned \$2 billion for Chevron, the world's eleventh-largest corporation. Today, the refinery employs some 1,200 workers.

The refinery is a metallic Legoland of furnace stacks, cooling towers, heat exchangers, flares, boilers, a thirty-nine-acre algal green wastewater treatment pond, and more. There's

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the big fluid catalytic cracker unit, and the distillation and reforming towers that separate hydrocarbons by their boiling points. There's the polymer plant to produce additives like Techron that was invented in the adjoining tech center, a lube production area (that produces 100 percent of West Coast lubricants), a hydro-processor for removing sulfur from oil, and endless-seeming thickets of pipeline above and below the pier, roads, and rail tracks—6,000 miles in total—hopefully none corroding in ways that have contributed to fires and explosions most recently in 1999, 2007, and 2012. There are black rail cars to carry liquefied petroleum gases such as propane and butane, and a marketing terminal where gasoline trucks pick up product for the Bay Area. The morning I visit, there are two ships tied up at the Chevron Long Wharf pumping crude oil ashore (some thirteen million gallons a day) to hillside storage tanks where more pipeline links them to twenty refining units.

The refinery produces 20 percent of the region's gasoline and 65 percent of its aviation fuel. Chevron's is the largest of five refineries located along an East Bay petrochemical corridor of low-income communities that may soon include large numbers of oil trains rumbling through residential neighborhoods.

Chevron is the major employer and longtime political power in Richmond. Company spokespeople sometimes tell its 104,000 residents—whose children suffer asthma rates twice those of Marin County directly across the bay—that Chevron was here first.

Actually that would have been the Ohlone people, whose 3,000-year-old shell mounds can be found on Brooks Island off the Richmond Marina where I live. Our sailboat harbor was Kaiser Shipyard Number Two during World War II, and its Rosie the Riveter working women and newly enfranchised African American and Latino shipbuilders forged the arsenal of democracy, launching 727 liberty ships between 1942 and 1945. The shipyard clinic later became the Kaiser-Permanente Health Care System. Today the marina is home to the Rosie the Riveter National Historical Park that's highlighted on one of Chevron's "Richmond Proud" billboards it erected recently. Chevron has also increased its funding to community nonprofits to about \$6.5 million last year, created a new online newspaper called *The Richmond Standard*, and sponsored community forums and refinery tours like the one I'm on.

Much of this effort is driven by the company's desire to get approval for a billion-dollar modernization of its hydrogen plant and sulfur removal facilities that cover 20 percent of

the aged refinery. This would allow it to switch from Alaskan and Saudi crude to higher sulfur content oil from countries like Iraq. The upside for Chevron: If it could buy high sulfur "dirty" or "sour" oil for \$5 a barrel less (a conservative estimate) it could make \$500 million more a year at the refinery. The downside for Richmond, according to Chevron's own 4,500-page Environmental Impact Report: An 88 percent increase in sulfur in its crude could see a 26 percent increase in toxic air contaminants, plus a 16 percent rise in greenhouse gas emissions.

The company insists that carbon offsets (buying pollution credits) and more efficient technology will eliminate any net increase. This may be a challenge to prove, given that a good monitoring requires good faith effort on the part of the company.

In 2009, Bay Area air quality officials reported Chevron had fashioned a 100-foot "magic pipe" inside the refinery that routed hydrocarbon gases around monitoring equipment to a flare tower where sulfur dioxide and other pollutants were burned off without being measured. The company claimed the pipe was used to "balance pressure." The investigators said there was no legitimate use for it. Later, a company spokesperson claimed its placement was "inadvertent" and predated monitoring requirements. In 2011, Chevron paid a \$170,000 fine to settle the case.

Chevron is now working to reestablish a pro-company majority (once known as "the Chevron Five") on Richmond's City Council, which began to take a progressive turn in 2008. Alongside them was Green Party Mayor Gayle McLaughlin (Richmond is the largest U.S. city headed by a Green), who was elected in 2006. The progressive council forced Chevron to ante up \$28 million in utility tax underpayments. Chevron's 2008 refinery expansion Environmental Impact Report was rejected following a judge's ruling that it had failed to disclose enough information to the community. Chevron also failed to elect most of its candidates in the 2010 and 2012 city elections, even though it spent more than \$2 million—or about \$50 per voter.

Since the present U.S. Supreme Court recognizes corporations as people, I asked Chevron if I could interview the actual individuals who decide which candidates the corporation backs and how much it's going to spend in 2014.

I was e-mailed a letter in response whose boilerplate would do an oil storage tank proud.

"We look forward to working with and supporting candidates for city office that will invest in public safety, encour-

age economic growth and job creation,” the e-mail read. “This year, we expect to be fully engaged. It is too soon to know what we plan to spend.”

When I attempted to get some clarification from Chevron’s Richmond spokeswoman Melissa Ritchie, I was told: “We’re not going into any more specifics. We don’t talk specific numbers on our campaigns.”

Mayor McLaughlin wants Chevron to butt out.

“We get all their pollution not only in the air, but they pollute our elections too,” she says. “If they’d reduce their emissions and withdraw from our elections, they’d be respecting our health and democracy.”

I’m talking to her in her third floor office in the utilitarian red brick and glass civic center downtown. She’s running for reelection to a council seat this November when her two-term limit as mayor runs out. She and three other progressives hope they can retain their majority on the seven-member council. Still, McLaughlin is wary of Chevron’s power.

“In the last year and a half, they’ve been gearing up to present themselves as good citizens and taking credit and putting their emblem on the progressive agenda we moved forward, like creating more parks and shoreline,” she says.

Two of Chevron’s billboards proclaim: “More shoreline than most cities can shake a paddle at” and “Richmond, more about parks, less about pavement.”

“They’re throwing money to nonprofits in order to seem very generous, while not paying enough in property taxes,” she adds. “And with this modernization plan, they think we should just thank them, but only one-fifth of the facility is involved. Of course, we want the jobs but not at the expense of the health and safety of communities.”

Despite a post-war history of crime, poverty, unemployment, and a more recent housing crisis, Richmond has become a national model for how grassroots activists can organize to overcome challenges. In the past few years since the city council moved to the left, and despite raucous council meetings that often run past midnight, Richmond has attracted new jobs and youth training positions in solar and clean energy, successfully competed for a new University of California lab that will soon break ground, expanded its parks, and seen its homicide rate drop to a thirty-three-year low under the leadership of one of the nation’s few openly gay police chiefs. Citizen groups, like the Richmond Progressive Alliance, Environmental Justice Coalition (Sunflower

Alliance), and Citizens for a Sustainable Point Molate, have played a key role.

Point Molate is just over the ridgeline from Chevron’s refinery. This 422-acre city-owned natural headland, with its bay-front crescent beach and native rangeland patrolled by mule deer, owls, and ospreys, had been slated for a billion-dollar private casino development. But local activists from Citizens for a Sustainable Point Molate and the Richmond Progressive Alliance waged a successful campaign that forced the city council to take the issue to a referendum.

From its inception, Measure U was heavily fought over with close to a million dollars spent, both by the casino developer and local card rooms that didn’t want competition from a monster casino with 4,000 slot machines. The three candidates Chevron backed all supported the casino. But city residents voted 58 percent to 42 percent against it, with most citing fear of increased traffic, crime, and gambling addiction.

Mayor McLaughlin, despite being outspent almost two to one, was reelected, as were two candidates opposed to the casino. None of the Chevron candidates won. A short time later, the council voted five-to-two to cancel the casino plan and reclaim Point Molate as parkland. The developer then sued the city, unsuccessfully, apparently being unclear on the concept that when you gamble, you usually lose.

During the race, Chevron hired an opposition research group that dug up and spread dirt about how the mayor had once filed for bankruptcy and been treated for depression. In a town with 12 percent unemployment and poor access to health services (the closest public hospital is about to be shut down by the county), that may have won her more sympathy than lost votes.

In the fall of 2013, Mayor McLaughlin got widespread media attention when Richmond’s council voted to use eminent domain to try and force banks to renegotiate mortgage terms with the more than 25 percent of Richmond homeowners whose houses are deeply under water (worth significantly less than their mortgages) and face the threat of foreclosure. While corporate America has never opposed local governments condemning private property for highways or sports stadiums, realtor association mailers soon began appearing at my door (and thousands of others) warning that, “Wall Street is back to take another bite out of Richmond Homes,” “Wall Street bankers . . . will make millions . . . but it will sink Richmond,” and “She got us in a fight that could knock out the city.”

In spite of the twisted logic by which “Wall Street bankers” were shown to be pushing Wells Fargo and Deutsche Bank to renegotiate toxic loans on terms more favorable to the poor, the city’s ability to refinance its bonds was threatened, and major banks warned they might stop doing business in the city. Then, it was pointed out that banks refusing to do business in a town that’s 80 percent nonwhite sounded a lot like redlining, which is illegal. Still no one doubts that the national banks and real estate lobby will be joining Chevron’s expanded effort to defeat the progressive slate this November.

I’m with a hundred demonstrators gathered outside the gates of the refinery for a noontime rally on a Tuesday afternoon in late May. It’s an International Day of Action targeting Chevron that includes protests in Ecuador, Australia, Romania, Nigeria, and Germany.

The small multiethnic crowd carries homemade banners and posters mocking Chevron ads. One sign says, “Oil Companies should not harm local economies—We Agree.” There’s a Native American blessing with burning sage, and twenty-something activists in white hazmat suits, and a

high school student waving a “Chevron Lies” sign at passing trucks. About twenty Richmond cops guard the plant entrance. A sergeant gets one of the organizers to keep people on the sidewalk as the mayor steps off the curb to take a portable mike and address her fellow protesters. “Elections are for people. Corporations are not people,” she exclaims to cheers.

But Chevron operatives believe elections are for the company.

“They’re bent on taking back this town, and if they spend millions to do that, they’ll make it back thousands of times over if they can get the city council in the palm of their hand, like they had it before,” says Mayor McLaughlin. “We expect their billboards for parks and ‘Richmond Strong’ to soon become billboards for their candidates. We don’t have their money, but our strength is we have an authentic relationship with the people of the community.”

Is that enough to keep winning against unlimited campaign spending by robber barons and corporations like Chevron? She admits she doesn’t know for sure. ♦



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