Three oil refineries on US East Coast face possible shutdown

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Three major oil refineries in the Philadelphia area are slated to close by the end of next summer unless a buyer steps in to purchase them. If these refineries shut down, 2,000 oil workers will immediately find themselves unemployed, and the nearby communities are expected to lose about 20,000 more jobs due to economic aftershocks.

On September 6, Sunoco announced it planned to sell its refineries in Marcus Hook and South Philadelphia. Later in the month, ConocoPhillips followed suit by putting its Trainer refinery up for sale and having its workers set the facility to idling. Together, the three refineries are estimated to comprise roughly a third of the East Coast's refining capacity.

In recent weeks, labor unio n officials have organized a public rally in Marcus Hook with the declared intention of demonstrating local support for oil workers, even as a group of prominent Pennsylvania politicians have requested a federal analysis on the possible consequences of the refineries' closure.

Hundreds of workers, union members, and local residents turned out for the November 6 rally, marching several blocks from a United Steelworkers (USW) meeting hall to Market Square Memorial Park alongside the Delaware River. Members of the USW, United Auto Workers and other unions participated. Afterward, politicians and union officials gave brief speeches professing their support for American workers and the Marcus Hook oil workers in particular.

Although the rally was billed as an effort to mobilize workers and residents, the implicit agenda was to market the community to potential buyers as a willing and ready labor pool. An article in the *Philadelphia Inquirer* quotes David Miller, president of a USW local, announcing that Marcus Hook and the other refinery areas are more than willing to help any buyer who takes over the sites. "Anyone who's looking to make money, c'mon down and we'll all help," he declared. "Buy all three and you can be the biggest, baddest dog on the block." The mayor of Marcus Hook, James D. Schiliro, declared the purpose of the rally to be "coming together to show the buyers that we can make it work and we can make them money."

Senator Bob Casey (Democrat) and Congressman Pat Meehan (Republican) were also present. Both men are included on the list of lawmakers seeking a US Energy Information Administration assessment on how the loss of the refineries would affect energy prices throughout the region.

While workers came out of concern over potential job losses, they were provided with no means of fighting. Instead, the rally was a platform for the two parties of big business and the nationalist orientation of the labor unions. One USW local president insisted that "keeping jobs in the US is an absolute priority," while other speakers emphasized that the refinery closings are not a "partisan" issue, but a matter of "whoever we can work together with."

The absurdity of a nationalistic approach and one that uncritically accepts the corporate control of the energy giants and banks becomes obvious the moment one examines the economic factors behind Sunoco and ConocoPhillips's decision.

All three of the Philadelphia refineries are only equipped to process a lighter, sweeter variety of crude oil instead of the heavier, more sour kind used by most refining facilities. Lighter crude is more expensive, has to be shipped from a handful of countries, and makes up the vast majority of Sunoco's crude oil purchases.

An article by a Reuters market analyst notes that, in July, Sunoco was getting most of its oil from Nigeria, Norway, and Azerbaijan, with access to Libya's light crude hampered by NATO's military intervention. Because its East Coast refineries have to import oil from overseas and lack the technical capability to process heavier varieties, Sunoco's expenses on crude ranked among the highest of all energy companies. The author concludes that "Philadelphia and Marcus Hook are the two worst refineries to own in the United States" and predicts they will be converted into storage terminals for transporting natural gas and other materials from the Marcellus Shale. The cost involved in updating the refineries to process heavier crude would be prohibitively expensive, the author wrote, due to international market pressures facing North American and European companies.

Since the economic crisis began, the longstanding "peak" in crude oil prices has been replaced with a marked decline in US demand for refined petroleum products. Refineries across the nation are now confronted with the possibility that consumer demand will remain at a long-term low.

This is especially true of Sunoco, which has a refining and supply sector that has been unprofitable for 9 out of the past 11 quarters.

Sunoco CEO Lynn Elsenhans has accordingly pursued a determined policy of manufacturing divestitures. Sunoco has already sold off two refineries in the Midwest, closed another Pennsylvania refinery, and pulled out of metallurgical coke, home heating oil, and chemicals manufacturing. Elsenhans has stated that the company's future lies in retail fuel, convenience store sales, and fuel transportation.

The potential closure of these three refineries and the economic devastation that will be visited on the towns that depend on them is just a single facet of the movements of international capital. There is no "all-American" alternative, especially when it comes to oil, a natural resource that has led the United States to pursue war throughout the Middle East and, most recently, in Libya. From the standpoint of the nationally based unions, "keeping jobs at home" means transforming the US into a platform for cheap labor, as has already happened in the auto industry, not uniting energy workers around the world to defend jobs for all.

Bruce, who has worked in both the Marcus Hook and trainer refineries for most of his life, said his situation is representative of most workers at the refinery. In many cases, workers have been there for 24-25 years. He also expressed his worries that education in the area would be gutted as local schools lose their tax base.

Nick, a union member at the Marcus Hook rally, remarked that even if the refineries are used to transport natural gas or for some other alternative, all of the estimates he has seen show that only about half of the labor force would be retained.

Nick went on to say, "large companies take the human element out of it" and "just leave without preparing the people or helping them retrain."

This is precisely the problem with a social system based on the profit motive rather than genuine human need. The ruling class has no room for a "human element" in the present economic crisis because it has to scramble and fight for its own interests. Sunoco incurred a $17 million loss in refining and supply last quarter. From the perspective of the company and its executives, the livelihoods of thousands of people are insignificant in comparison.

If the right to good-paying and secure jobs, decent schools and neighborhoods is to take priority, the working class must fight for the nationalization of the oil monopolies under democratic control, as part of the socialist reorganization of economic life in the US and internationally.