

# The Oilspot

Friday, April 12, 2002

Oilspot News with FlashPoint

VOLUME 7 NUMBER 15

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April 11, 2002

## White House Oil Watch

*Bush concerned, but probably won't dip into reserves*

WASHINGTON—Former Texas oilman President George W. Bush on Tuesday used the Iraq oil embargo to promote his stalled energy plan, says an Associated Press report, but aidessaid he was not seriously considering more dramatic actions such as gasoline tax cuts or the use of oil reserves to respond to price increases.

"We need to be less dependent on foreign sources of crude oil," Bush said at a Connecticut GOP fundraiser. "It was made pretty clear the other day when Saddam Hussein stands up and announces he's going to try to organize the oil boycott."



Headed, "You know my opinion about Saddam; the world's not going to follow him. But it just goes to show how important it is to diversify our supply away from places like Iraq."

The administration predicts that drilling in Alaska's Arctic National Wildlife Refuge could yield as much as 1.3 million barrels of oil a day, or 20 percent of the nation's domestic production. A bill approving the drilling is stalled in the Democratic-controlled Senate.

The administration also is monitoring with some concern the situation in Venezuela, where a strike has nearly shut down one of the world's largest oil refineries, officials said.

A range of options are at Bush's disposal, from tapping oil reserves in the short term to pressing Congress to allow drilling in Alaska; however, administration officials said none of those options would be considered seriously unless oil prices take a dramatic jump.

Gasoline prices, which have risen steadily since February, jumped more than 8 cents per gallon in the past two weeks. A dramatic increase could slow the economic recovery and cause voters to blame the White House, AP says, though it might help Bush's case for more drilling, according to senior Republicans and administration officials.

Iran and Libya have expressed sympathy for Iraq's call, but the oil-producing countries have publicly declared that they won't take part in any embargo. Signs of a possible Israeli withdrawal from Palestinian territories restored calm to world oil markets Tuesday.

And in Vienna Wednesday, Organization of Petroleum Exporting Countries' Secretary General Ali Rodriguez said OPEC doesn't plan to lift production to fill the gap left by Iraq's oil export stoppage. He said OPEC will maintain the production level effective January 1 this year until its next scheduled meeting June 26. Rodriguez reiterated that the group had no plan to call an emergency meeting before the planned June meeting. And he said he didn't expect any change in output targets at the June meeting. If the market situation changes dramatically later in the year, output policy may be reviewed at the September meeting, he said. Non-OPEC oil producers Mexico, Norway and Russia, which have an agreement to cooperate with OPEC on output restraint, plan to leave their output unchanged, headed. Russia, though, has said it will review its production levels mid-May, Rodriguez said.

Bush advisers said the president would not be inclined to tap oil reserves or promote a reduction in gasoline taxes--options he rejected or dismissed during the presidential campaign. President Clinton tapped into the reserves during the 2000 campaign, which drew criticism from Bush's campaign because it was viewed as an attempt to boost then-Vice President Al Gore's prospects. At the time, Bush said reserves should not be drawn from unless there is an emergency--and administration officials said Tuesday that seasonal price fluctuations are not normally considered emergencies.

As for the gas tax, Bush did not join Republican lawmakers who clamored for a reduction as gasoline prices rose during the presidential campaign. He said then and, aidessaid, still believes that the money is

needed for roads and other infrastructure.

Senate Majority Leader Tom Daschle (D-S.D.) said Tuesday that Democrats may offer an amendment on ANWR drilling if Republicans don't, just to demonstrate that the proposal doesn't have the support of 60 senators needed to break a filibuster. Daschle said Iraq's decision to cut off oil exports should prompt Congress and the administration to reconsider their opposition to compelling automakers to produce more fuel-efficient cars.

Sen. Larry Craig (R-Idaho) said Republicans could introduce an Alaska drilling amendment this week with the idea of no holding a vote on it until next week. "There are people in our caucus who would prefer not to have to vote on it," Craig said, acknowledging that drilling supporters have only between 49 and 54 votes. "But it's important that we send a clear signal to the American people, that we took up the issue and dealt with it."

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## OSHA Takes New Direction on Ergonomics

The Occupational Safety and Health Administration (OSHA) announced last Friday a four-part, comprehensive approach to reduce workplace musculoskeletal disorders (MSDs). The Agency's long-awaited announcement on ergonomics immediately drew criticism from organized labor that had pushed hard for a formal standard. OSHA, instead of promulgating a rule, intends to work with trade associations and business groups to put together industry-specific task guidelines—something ILMA had advocated with the Agency—to prevent and reduce MSDs.



"Bureau of Labor Statistics' data show that [MSDs] are already on the decline. This plan is designed to accelerate that decline as quickly as possible," said OSHA Administrator John Henshaw. "Thousands of employers are already working to reduce ergonomic risks without government mandates. We want to work with them to continuously improve workplace safety and health. We will go after the bad actors who refuse to take care of their workers," Henshaw added.

OSHA announced that its ergonomics program would have four main components:

1. Voluntary industry-specific task guidelines—The Agency will not promulgate another rule, but instead will work with trade associations and business groups to put together industry-specific and task-specific guidelines to prevent and reduce workplace MSDs based on current injury and illness rates and available information about effective and feasible solutions. OSHA also will encourage industries to develop ergonomics guidelines to meet their own specifications. The Agency expects to start releasing ergonomic guidelines in selected industries in six months.
2. Strengthening enforcement—OSHA intends to focus its enforcement resources on industries and companies that have multiple complaints for the same task. The Agency said that it will not focus its enforcement efforts on employers who have implemented effective ergonomics programs or who are making "good faith" efforts to reduce workplace ergonomic hazards. OSHA did remind employers that they are required to keep their workplaces free from recognized serious hazards, including MSDs, under the "general duty clause" of the Occupational Safety and Health Act.
3. Compliance and Training Assistance—OSHA said it would develop new compliance assistance tools, especially for small business. The Agency plans to provide specialized training and information on implementing successful ergonomics programs and to highlight those employers' efforts that have resulted in the reduction of MSDs.
4. Ergonomics Research—OSHA is creating a national advisory committee and is commissioning another study to "fill in the gaps" on the existing research on workplace MSDs. The Agency previously has been criticized for its ergonomics research.

OSHA's ergonomics announcement is a victory for ILMA and other business groups. A little over a year ago, Congress rejected OSHA's ergonomics far-reaching and burdensome ergonomics standard that had been issued by the Clinton Administration. As the Bush Administration had OSHA work toward a new approach to ergonomics, ILMA submitted comments to and testified before the Agency that voluntary industry guidelines were a more effective approach to preventing and reducing MSDs.

April 11, 2002

## FTC Announces May Conference on Petroleum Prices

The Federal Trade Commission (FTC) has announced a second public conference on May 6-9, 2002, to examine issues associated with U.S. petroleum prices. While the Commission is interested in analyzing the recent volatility in gasoline prices, it also wants to focus on the effects of recent mergers and restructurings, changes in business practices, increased dependency on foreign crude oil, and new governmental regulations. The FTC held its first conference on the issue last August. The FTC's examination is of interest to ILMA members. The Commission has set forth a number of questions for public comment, including changes in the structure of the refining industry, the closure of certain small refineries, the exercise of significant market power in particular aspects of the refining industry. ILMA will be following up before the May conference with FTC staff to determine to what extent the Commission can focus on lubricant-related issues. EPA Issues Proposed Standard on Emissions from Coatings, Resin Manufacturing, May Affect Some ILMA Members The Environmental Protection Agency (EPA) has issued a proposed hazardous air pollutant emission standard for the manufacture of paints, coatings, inks, adhesives, and some polymers and resins. ILMA's SHERA Committee is analyzing the 534-page proposal to understand the effects on independent lubricant manufacturers. EPA will accept comments on the proposed regulation until mid-May. EPA is scheduled to finalize the standard in one year, and the new requirements would go into effect three years later. The proposed standard and factsheets covering the proposal can be downloaded from the Agency's website at [www.epa.gov/ttn/oarpg/t3pfr.html](http://www.epa.gov/ttn/oarpg/t3pfr.html). The proposed standard, a massive, 534-page document, includes detailed hazardous air pollutant emission limits and work-practice standards for a range of batch and continuous-process functions and systems (e.g., process vents, wastewater streams, waste-management units, storage tanks, and transfer operations). For example, EPA is proposing that all "major-source" surface coating manufacturing facilities install add-on pollution control equipment on all stationary process tanks. Such controls could include condensers, activated carbon, thermal oxidizers, and other abatement devices. ILMA will keep members apprised of its analysis and the opportunity for comment to EPA.

April 11, 2002

## Labor Department Announces Employee Benefit Plan Assistance

The Department of Labor (DOL) has announced two programs to assist employers and employee benefit plan administrators' correct violations of the Employee Retirement Income Security Act (ERISA). The first program allows employers to correct past violations without penalties. Under the Voluntary Fiduciary Correction Program, plan officials, sponsoring employers or parties to affected transactions may apply to correct voluntarily specific ERISA violations. An applicant must fully correct any prohibited transaction, calculate any losses and restore those losses (with profits or interest), and distribute any owed supplemental benefits. If properly corrected, a "no action" letter will be issued by DOL. The second program encourages plan administrators to file overdue annual reports by paying reduced penalties. DOL has updated the Delinquent Filer Voluntary Correction Program, originally established in 1995, to make it easier to participate in the program and to reduce the penalty amounts. For example, the new caps for multiple years late are \$1,500 for small businesses and \$4,000 for large companies, with the daily rate dropping from \$50 to \$10. For more information, call DOL's employer hotline at (866) 275-7922.

November 17, 2001

## Pilot Chemical

Since 1952, the privately-owned Pilot Chemical Company has been offering a unique blend of flexible, person-to-person responsiveness and proprietary technology. Pilot's owners and senior management are personally involved in the company's day-to-day operations. Their primary objective is to ensure that Pilot's products and supporting services meet their customers' highest expectations. Key to the company's continued success are the willingness and flexibility to be responsive to customers' individual requests.



November 17, 2001

## The ILMA FlashPoint Flashlight Is RED today

Here's how the ILMA FlashPoint Flashlight works: When the light is GREEN, click on the blinking light to access additional news and information directly from the ILMA Website. This time-saving tool enables ILMA to quickly notify readers when it's time to visit the site. When the FlashPoint light is RED, this means that, although readers are welcome to access the site anytime, no additional content has been posted or warrants immediate attention. Nothing is more annoying than an outdated Website, right. Now, readers can have quick access to the latest information just by keeping an eye on the ILMA FlashPoint Flashlight.



November 17, 2001

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