

My name is Steve Garey. I am a Tesoro employee at the refinery in Anacortes Washington. I'm a machinist by trade and I have worked at that refinery for 21 years. I also serve as president of United Steelworkers Local 12-591, representing the operations and maintenance workers in both the Tesoro Anacortes refinery and the Tesoro Hawaii refinery.

I would like to recognize several others here today who have been elected by their coworkers to serve unit chairs at their refineries. Mark Laurance from my refinery in Anacortes, Washington; Pat Koge from Hawaii; Stever Cerda from Martinez, CA; Ryan Heustis from Los Angeles, CA; and Javier Montoya from Mandan, ND. Together we represent the hourly workforce that is responsible for the safe and profitable operation of over 80% of Tesoro's refining capacity.

We have some serious concerns with decisions being made by Tesoro management that we believe all shareholders should be aware of. These problems have been escalating over the past several years and we believe that they are coming to a head now during contract negotiations that have been underway since January.

In 2010, Tesoro management announced plans to cut our pensions and retiree healthcare. Now at the bargaining table the company is insistent that we give up all collective bargaining rights over all benefit plans. This is unacceptable.

These issues have frustrated both union employees and salaried employees. All of our refineries are seeing highly skilled employees leave as they realize that other employers offer more competitive benefits.

To give you an idea of just how frustrated our members and our communities are with these cuts, we have here over 8,000 letters from our members, their families, and our communities, asking you to bargain a fair contract with our union.

We believe the benefit cuts imposed last year are a violation of Tesoro's code of conduct as it relates to honoring employees, their contracts, and state and federal laws. More importantly, to all investors, we believe that these actions will make it impossible for the corporation to meet its business goals. Tesoro seeks to be a safe, profitable, and efficient supplier of petroleum products that are valued by our customers. Tesoro seeks to be a company that is respected by its peers and the communities in which it operates. The company simply cannot attain those goals if workers don't trust management and are increasingly looking to leave the company.

Tesoro can't get there from here.

It does not have to be this way. And it cannot continue to be this way for much longer. Workers in Anacortes, Martinez, Mandan, and Los Angeles.

We do not want a strike and we have been trying avoid a strike. But do not confuse our patience with fear. If we do not achieve a reasonable agreement soon, there will

be a strike. Greg Goff, do the right thing for us and for your shareholders and please direct your representatives to come the table with our union, ready to bargain fair labor agreements.