Kenneth T. Derr
a lifetime of achievement and impact

Former Chevron Chairman and CEO Kenneth T. Derr helped shape the company, its culture and the communities in which it operates. His drive to be "better than the best" continues to inspire the workforce every day to deliver energy to a growing world. The timeline below highlights significant events Ken was deeply involved in over his 40-year career at Chevron.

In key executive roles during the 1970s and into the early 1980s, Ken found himself at or near the center of every major decision made by one of the world's largest corporations at the time.

1971 When U.S. President Richard Nixon imposed price controls on oil and gas as part of a broader package of wage and price controls aimed at combating inflation, the initially popular result temporarily curbed inflation and stabilized prices; however, this new policy led to market distortions, discouraging investment in domestic oil production at a time of increasing demand, which led to shortages and long lines at gas stations.

1973 These imbalances were exacerbated by the OPEC oil embargo, resulting in the 1973—1974 oil crisis. Supply became even tighter, and rationing was imposed in the U.S. The price controls were eventually lifted, starting in 1974 and fully removed by U.S. President Ronald Reagan in 1981.

Around the same time, Saudi Arabia began to gradually nationalize Aramco. After founding Aramco in the 1930s, Standard Oil of California (Socal) owned 30% of the entity for many years. Between 1973 and 1980, the Kingdom of Saudi Arabia first acquired a 25% interest, then a 60% interest, and finally full ownership.

1979 The Iranian Revolution in 1979 led to significant disruptions in the global oil supply, causing oil prices to spike dramatically. In response, the U.S. government implemented a two-tiered pricing system for crude oil – "old" oil (produced from wells drilled before 1973) and "new" oil (produced from wells drilled after 1973 or from enhanced recovery projects). Old oil was subject to price controls, which kept prices artificially low to protect consumers from the full impact of the global price increases. New oil could be sold at market prices, which were significantly higher, to encourage domestic production and exploration.

Ken partnered with San Francisco Mayor Dianne Feinstein to lead fundraising efforts, mobilize resources and restore the city's famed cable car system. The renovation involved overhauling the entire cable car infrastructure, including tracks, cables, turntables and the cable cars themselves. The project was completed in 1984 and cost approximately $60 million, a substantial amount of which was raised through private donations facilitated by Chevron leadership.

1980 U.S. President Jimmy Carter signed the Crude Oil Windfall Profit Tax Act aimed to capture a portion of the extraordinary profits that oil producers were making due to the sharp increase in oil prices. The tax was imposed on the difference between the market price of oil and a predetermined base price adjusted for inflation. The windfall profit tax was ultimately deemed ineffective in addressing the underlying issues of energy supply and prices and was repealed in 1988.

1984 Socal acquired Gulf Oil. With a price tag of $80 per share, roughly $13.3 billion in total, it was the largest merger in corporate history at the time. Ken was appointed to lead the integration efforts to combine operations, assets, corporate philosophy, and the varied talents of two organizations' employees. The integration is cited as a textbook example of how to successfully manage large-scale mergers in the energy sector.

Ken Derr named Chairman and CEO of Chevron in 1989.

1991 Condoleezza Rice was recruited by Ken to join the board of directors. Rice was Chevron's first black director and second woman director, laying the foundation for today's diverse and inclusive board. Her wealth of knowledge in international affairs and relationships with political and business leaders proved invaluable for a company operating in complex and politically sensitive regions.

Through Ken's leadership, Chevron identified workplace diversity as a business imperative, resulting in flexible work schedules and improvements in its selection processes and same-gender partner benefits – paving the way for today's employee networks and continuing commitment to workplace diversity and inclusion.

1993 Ken expanded the company's global operations with a partnership in Kazakhstan's Tengiz field following the fall of the former Soviet Union, bolstering the company's production capacity and position as a key player in the Caspian Sea region. During that same period, the company also expanded operations in Angola, Argentina, Australia, Bahrain, Indonesia, Kuwait, Nigeria, Saudi Arabia, and Venezuela.

1995 Chevron published the first modern version of The Chevron Way, an ethical framework for delivering results the right way that traces back to The Standard Oil Spirit in 1923.

1998 With Ken's direction, the company formed a corporate Mergers and Acquisitions group in January and began evaluating other companies that might best complement its own. The company initiated a series of talks with Texaco in 1999, which proved unsuccessful. The following year, the two companies reached an agreement, and on October 9, 2001, shareholders from both companies approved the merger. ChevronTexaco Corporation began doing business that same day.

1999 Chevron was among the first signatories of The Global Sullivan Principles, a benchmark for corporate conduct highlighting the importance of ethical business practices and the role of corporations in promoting human rights.

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