



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

233 Peachtree Street Ste. 600  
Atlanta, GA 30303

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 18, 2007

Mr. Dan McCunn  
General Manager, East Terminals  
Vopak Terminals, South Wilmington Pipeline  
Canada Inc.  
5378 est, rue Notre Dame  
Montreal, Que. H1M 2C4

**CPF 2-2007-6006W**

Dear Mr. McCunn:

On November 28 - 30, 2005, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your South Wilmington Pipeline facilities and records in Wilmington, North Carolina.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (c) ***Maintenance and normal operations.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
    - (13) **Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

South Wilmington did not provide a record verifying periodic review of personnel work normal O&M. On 14 March 2006, PHMSA received a record from South Wilmington noting that the company's procedures have been updated to allow for record keeping of these reviews.

**2. §195.403 Emergency response training.**

**(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under §195.402 for which they are responsible to ensure compliance.**

South Wilmington did not provide a record verifying that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible. On 14 March 2006, PHMSA received a response from South Wilmington addressing this regulation. South Wilmington's response received did not satisfy the requirements of the regulation.

**3. §195.403 Emergency response training.**

**(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:**

- (1) Carry out the emergency procedures established under §195.402 that relate to their assignments;**
- (2) Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in case of flammable HVL, flammability of mixtures with air, odorless vapors, and water reactions;**
- (3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquid or carbon dioxide spills, and to take appropriate corrective action;**
- (4) Take steps necessary to control any accidental release of hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage; and**
- (5) Learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition.**

**(b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**

- (1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and**
- (2) Make appropriate changes to the emergency response training program as necessary to insure that it is effective.**

South Wilmington did not provide a record verifying a continuing training program to instruct emergency response personnel in the emergency procedures applicable to each employee in

195.402(e) and emergency response training in 195.403(a). On 14 March 2006, PHMSA received some training records from South Wilmington. These records did not satisfy the requirements of the regulation.

South Wilmington did not provide a record verifying the following: (a) employees' performance in meeting the objectives of the employee training program were reviewed with them annually; (b) employee training program was reviewed for its effectiveness and with appropriate changes made to the program if necessary to strengthen the program's effectiveness.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in South Wilmington Pipeline being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2007-6006W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Linda Daugherty  
Director, Southern Region  
Pipeline and Hazardous Materials Safety Administration